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## USPS proposes cutting 120,000 jobs, pulling out of health-care plan

By [Joe Davidson](#), Updated: Thursday, August 11, 2:04 PM

In an attempt to stem its financial hemorrhaging, the U.S. Postal Service is seeking to reduce its workforce by 20 percent, including through layoffs now prohibited by union contracts. USPS also wants to withdraw its employees from the health and retirement plans that cover federal staffers and create its own benefit programs for postal employees.

This major restructuring of the Postal Service's relationship with its workforce would need congressional approval and would face fierce opposition from postal unions. But if approved, eliminating contract provisions that prevent layoffs and quitting the federal employee health and retirement programs could have ramifications for workers across the government and throughout the national's labor movement.

In a notice to employees informing them of its proposals, with the headline "Financial crisis calls for significant actions," the Postal Service said "we will be insolvent next month due to significant declines in mail volume and retiree health benefit prefunding costs imposed by Congress."

The Postal Service plan is described in two draft documents obtained by The Washington Post. A "Workforce Optimization" paper acknowledges "that asking Congress to eliminate the layoff

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protections in our collective bargaining agreements is an extraordinary request by the Postal Service, and we do not make this request lightly. However, exceptional circumstances require exceptional remedies.

"The Postal Service is facing dire economic challenges that threaten its very existence. . . . If the Postal Service was a private sector business, it would have filed for bankruptcy and utilized the reorganization process to restructure its labor agreements to reflect the new financial reality."

The USPS says it needs to reduce its workforce by 120,000 career positions by 2015, in addition to the 100,000 it expects through regular attrition. Some of the 120,000 could come through buyouts and other programs, but a significant number likely would be the result of layoffs, if Congress allows the agency to circumvent union contracts.

"Unfortunately, the collective bargaining agreements between the Postal Service and our unionized employees contain layoff restrictions that make it impossible to reduce the size of our workforce by the amount required by 2015," according to the postal document. "Therefore, a legislative change is needed to eliminate the layoff protections in our collective bargaining agreements."

How Congress will respond to the postal proposals remains to be seen. Many Republicans, including those who have sponsored legislation that labor considers anti-union, may support the plan. Some Democrats probably would back union opposition. But the Postal Service's critical financial situation could make Democrats have second thoughts.

Two members of Congress who have introduced separate postal reform bills were non-committal on the USPS plan.

A spokeswoman for [Sen. Thomas R. Carper \(D-Del.\)](#) said "he is particularly interested in learning whether these proposals would be fair to employees and effective in reducing the Postal Service's costs."

[Rep. Darrell Issa \(R-Calif.\)](#), chairman of the House Oversight and Government Reform Committee, said: "These new ideas from the Postal Service are worth exploring. Options for reform and cost savings that will protect taxpayers from paying for a bailout, now or in the future, need to be on the table."

Although what Congress will do is unknown, the response of postal unions has been certain.

American Postal Workers Union President Cliff Guffey said, "The APWU will vehemently oppose any attempt to destroy the collective bargaining rights of postal employees or tamper with our recently-negotiated contract — whether by postal management or members of Congress."

National Rural Letter Carriers' Association President Don Cantriel: "We are absolutely opposed" to the layoff proposal. "We are opposed to pulling out of the Federal Employees Health Benefits Program. Our advisers are not advising us at all to even consider it."

National Association of Letter Carriers President Fredric V. Rolando: "The issues of lay-off protection and health benefits are specifically covered by our contract. . . . The Congress of the United States does not engage in contract negotiations with unions and we do not believe they are about to do so."

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