

Before The
THE HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT
REFORM

ORAL TESTIMONY OF CLIFF GUFFEY, PRESIDENT
AMERICAN POSTAL WORKERS UNION, AFL-CIO

(April 5, 2011)

Mr. Chairman and members of the Committee; I am Cliff Guffey, President of the American Postal Workers Union.

Postal workers are very proud of the fact that we provide an essential service to the American people. We have faced many challenges over the past decade as the result of the severe economic recession and the decline of First Class mail. From 2008 to 2010, the postal workforce was cut by approximately 110,000 jobs. Thousands of workers represented by the APWU were reassigned to jobs far from their homes and families. This resulted in severe hardships for these workers and their families. Despite all this disruption and all this hardship, postal worker productivity has increased and on-time service to the American public has remained at excellent levels.

APWU approached the labor negotiations that prompted these hearings with one primary test in mind: What will be right for the employees we represent, the Postal Service, and the American people it serves? It is a testament to the value of

collective bargaining that the APWU and the Postal Service have reached a tentative agreement that meets this test.

It gives the Postal Service an opportunity to return to postal employees work that has been contracted out, and to save money doing it. Under this Agreement, the APWU will compete aggressively to return work to bargaining unit employees -- work that is being performed at greater cost by contractors and, in some instances, by higher-paid non-bargaining unit employees.

The tentative agreement also protects the livelihoods of the people APWU represents, people who have dedicated their working lives to provide postal services to the public. Postal employment has been, and continues to be, an important source of middle-class employment opportunities. The Postal Service employs more than 129,000 veterans in its career workforce. In 2010, these veterans were 22 percent of the postal career workforce. Forty-nine thousand (49,000) of these veterans are disabled veterans and thirteen thousand (13,000) of them, including me, are rated as 30 percent or more disabled. In 2010, women were approximately 40 percent of the workforce; and minorities were approximately 40 percent of the workforce. I am proud of the fact that this tentative agreement protects the livelihoods of these and all career postal workers.

A review of these negotiations and of postal history will show that, since the

passage of the Postal Reorganization Act of 1970, postal wages have closely tracked inflation. Meanwhile, Postal Service productivity, including labor productivity, has consistently increased. As a result, postal rate-payers have benefitted from excellent service at low postage rates. Since 1970 postage rates have not gone up any faster than prices in the economy generally.

If this Committee wants to help the trillion dollars per year mailing industry it should relieve the Postal Service of the burden of pre-funding retiree health benefits, and correct the over-funding of CSRS and FERS. But for the unique, unreasonable and unnecessary requirement to pre-fund retiree health benefits, the Postal Service would have had a substantial financial surplus over the past four years instead of a substantial deficit.

No one could expect postal employees or postal rate-payers to shoulder the cost of paying billions of dollars into a federal trust fund unnecessarily. That is a problem that requires a legislative solution.

I'd like to add, that here we see Congress again holding hearings on the symptoms of the problem. Holding hearings on Social Security, which is a symptom of the problem. Holding hearings on unemployed veterans, which is a symptom of the problem. The problem in this country is the economy.

The economy that sets up for trillions and trillions of dollars to be shipped

overseas while America, on our side of the ledger, we have more unemployment, underemployment, lowered wages, and people losing their homes and mortgages.

We have problems with our national deficit – trillions of dollars going to people overseas, and trillions of dollars in deficit here. If we correct the problems in the economy, then the Postal Service will take care of itself.

Thank you.