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September 6, 2011

The Honorable Patrick R. Donahoe
Postmaster General and CEO
United States Postal Service
475 L'Enfant Plaza, SW
Washington, DC 20260

Dear Mr. Donahoe:

Thank you for submitting for our review proposed legislation to address the Postal Service's serious financial challenges. Although we appreciate and look forward to hearing more detail about these proposals, we are writing today to strongly oppose one of your proposals, which is to abrogate provisions of collective bargaining agreements with unions representing Postal Service employees. We are fully committed to our shared goal of returning the Postal Service to profitability, but we must do so while honoring the commitments made to our nation's postal workers.

Specifically, one of the requests you have made to Congress is for statutory authority to dissolve the "no lay-off" provisions contained in labor agreements presently in effect with all four of the Postal Service's bargaining units. We agree that the serious financial challenges facing the Postal Service must be resolved, in part, by reducing the postal workforce over time, but we disagree with your proposal to nullify portions of fairly negotiated labor agreements.

Just this past April, you reached a four-year agreement with the American Postal Workers Union that maintained the no lay-off provision.¹ In testimony today before the Senate Committee on Homeland Security and Governmental Affairs, you lauded both this agreement and the sacrifices made by the employees it covers. You stated:

This year, we reached a new four-year agreement with members of the American Postal Workers Union, AFL-CIO (APWU). This agreement contains a number of positive changes, including freezing wages for two years, lowering Postal health insurance contributions and providing Postal Service management with new flexibility in hiring and staffing. Using this new flexibility, the Postal Service will be able to continue realizing

¹ United States Postal Service, *APWU Tentative Agreement Will Save \$3.8 Billion* (Apr. 5, 2011) (online at www.usps.com/news).

both cost savings and efficiency gains by utilizing the right person, in the right job, at the right location. ... The new APWU agreement ... also establishes pay levels for new career employees that are approximately 10 percent lower than the existing pay schedule, provides significant workforce flexibility, and allows for increased use of non-career employees. The Postal Service's contribution to employees' health insurance premiums will also decrease.²

Similarly, in your testimony before our Committee in April, you testified:

The parties negotiated long and hard and dealt responsibly with tough issues. We sought and were able to achieve greater workforce flexibility, immediate cost relief, and long term structural changes. ... I look forward to negotiating with our other three unions to gain similar results.³

To now ask Congress to nullify part of this same contract less than five months after it was concluded is neither fair to Postal Service employees nor helpful to the Postal Service's credibility in future negotiations. These requests call into question the good faith of the Postal Service, which is currently negotiating with all three remaining bargaining units, including the National Rural Letter Carriers Association, the National Association of Letter Carriers, and the National Postal Mail Handlers Union.

In your testimony today, you praised the work of Postal Service employees, who are continuing to do more with less. You stated:

We are rightfully proud of our achievements in making significant productivity gains while simultaneously reducing work hours. Our employees have worked hard to bring about incredible cost savings while at the same time achieving record levels of service. In fact, something that often gets lost in the discussions about record volume and revenue losses is the point that, even with monumental expense reductions, we continue to maintain excellent service performance.⁴

After making such significant sacrifices, these employees deserve to have their commitments honored and to know they can bargain with the Postal Service in good faith. The current collective bargaining process that has been in place for nearly 40 years affords the Postal

² Senate Committee on Homeland Security and Governmental Affairs, Testimony of Postmaster General Patrick Donahoe, *U.S. Postal Service in Crisis: Proposals to Prevent a Postal Shutdown*, 112th Cong. (Sept. 6, 2011).

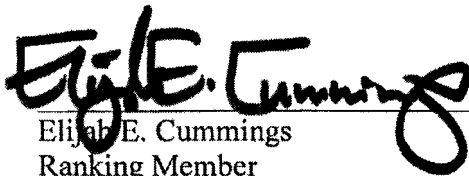
³ House Committee on Oversight and Government Reform, Testimony of Postmaster General Patrick Donahoe, *Are Postal Workforce Costs Sustainable?* 112th Cong. (Apr. 5, 2011).

⁴ Senate Committee on Homeland Security and Governmental Affairs, Testimony of Postmaster General Patrick Donahoe, *U.S. Postal Service in Crisis: Proposals to Prevent a Postal Shutdown*, 112th Cong. (Sept. 6, 2011).

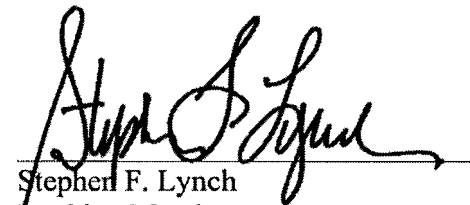
Service and its unions a fair opportunity to construct agreements that take into account the Postal Service's current financial challenges. If an impasse arises, current law provides for a binding interest arbitration process in which both parties select arbitrators and offer evidence to support their positions, including information on the Postal Service's financial condition.⁵

The Postal Service enjoys broad support among the American people, and we are proud of the excellent service it continues to provide. We believe the Postal Service can continue this tradition without abandoning the collective bargaining process and dismantling employee rights. We look forward to working with you, the Administration, and our fellow Members of Congress on postal reform in the coming weeks.

Sincerely,



Elijah E. Cummings
Ranking Member
Committee on Oversight and
Government Reform



Stephen F. Lynch
Ranking Member
Subcommittee on Federal Workforce, Postal
Service and Labor Policy

cc: The Honorable Darrell E. Issa, Chairman
Committee on Oversight and Government Reform

The Honorable Dennis Ross, Chairman
Subcommittee on Federal Workforce, Postal Service and Labor Policy

⁵ 39 U.S.C. § 1207(c)(1).