# Disputes Over Pay, Layoffs Create Impasse Between USPS and 200K Employees

         By [Eric Katz](https://www.govexec.com/voices/eric-katz/6739/)

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The U.S. Postal Service and a union representing 200,000 of its employees have abandoned negotiations for a new contract and will instead move to interest arbitration to decide the fate of issues such as pay, layoff protections and new tiers of workers.

USPS and the American Postal Workers Union, which represents clerks, mechanics, drivers, custodians and others, began negotiations one year ago but still remain significantly divided over an array of key issues. The two sides recently brought in a mediator from the Federal Mediation and Conciliation Service, who spent several days hearing arguments from each party before declaring them too far apart to be able to help. They will now be bound by the decision of the third-party arbitrator.

APWU said postal management is demanding no pay increases for the union’s members, instead offering a one-time lump sum stipend. The agency is also seeking to deny cost-of-living adjustments and changes to existing layoff protections that would require employees with less than six years experience to wait 15 years for the safeguard, according to the union, while new hires would not have protections at all. USPS also proposed increasing the percentage of the workforce serving in a non-career status, meaning they would receive lower pay and fewer benefits, and creating a third, lower tier of employees. The union said it is fighting to preserve a 50-mile cap on employee relocations.

“Be fully aware that management has presented drastic and regressive contract proposals,” APWU President Mark Dimondstein said in a message to his members this week. “They are an insult and danger to you, the hard working and dedicated postal employee. We are outraged and have said, ‘No way!’”

The Postal Service declined to comment on the substance of the negotiations, but Doug Tulino, vice president of labor relations, expressed confidence in the agency's positions.

"The Postal Service is prepared to put on a strong economic and operational case in interest arbitration to justify its bargaining proposals and achieve an agreement that is fair to APWU employees and our customers,” Tulino said.

APWU took a new approach as it entered negotiations, namely by attempting to put service standards on the bargaining table. The union sought to negotiate over mailing standards, staffing levels and how late post offices must stay open, among other issues.

Both sides will now make detailed presentations and rebuttals before a three-member interest arbitration panel. USPS and APWU will each appoint one member and mutually agree on a third. If they cannot agree, FMCS will submit a list of names and both sides will take turns eliminating options until only an individual remains.

“While we were hopeful that mediation would be successful, we have been vigorously preparing for interest arbitration,” said Industrial Relations Director Vance Zimmerman, who is serving as lead spokesman during the negotiations. “We are working hard to develop our case and preparing evidence to support our demands.”

In 2011 as the Postal Service faced a significant downturn in its finances, APWU agreed to concessions that included two years of wage freezes, two years without cost-of-living adjustments, a new tier of workers starting at lower pay and facing a lower cap on their top pay, the establishment of a non-career workforce that was paid less and provided fewer benefits, and a shift of health premiums toward employees. The union refused to make such concessions in its last round of negotiations in 2015, leading to interest arbitration in that year as well. While that contract expired in September, it remains in place as the two sides move forward with their current impasse.

The National Association of Letter Carriers, which represents 213,000 postal workers, [reached](https://www.govexec.com/pay-benefits/2017/08/new-labor-contract-will-give-200k-postal-workers-raise-trim-their-benefits/140105/) a voluntary agreement with the Postal Service in 2017 to avoid arbitration. The union ratified the agreement with 94 percent of its members voting in support.