

Testimony of Mark Dimondstein

President of the American Postal Workers Union

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**Before the Board of Arbitrators on the Opening Day of Interest Arbitration
for a New Collective Bargaining Agreement Between
the American Postal Workers Union and the U.S. Postal Service**

Neutral Board Member Arbitrator Stephen Goldberg, APWU Board Member Phil Tabbita and USPS Board Member Robert Dufek:

Good Afternoon.

As I did three years ago to this same panel of Arbitrators, I welcome the opportunity to testify and share with you an overview of how, as the President of the American Postal Workers Union, I see the “interests” of the postal workers in these interest arbitration proceedings. My comments will be similar, for while there are a number of new developments that will be addressed throughout these hearings, the core interests of postal workers are much the same as they were three years ago.

The general “interests” of the approximate 194,000 postal workers represented by the American Postal Workers Union, AFL-CIO, are contained in the preamble of the APWU National Constitution: “We believe all members of labor have the right to economic, political and social justice.” That is what we are continually seeking, including in this round of collective bargaining, now culminating in this interest arbitration process.

Postal workers are passionate in our support for the vital mission of the public Postal Service, outlined in the 1970 Postal Reorganization Act: “To provide postal services to bind the Nation together,” to “provide prompt, reliable, and efficient services to patrons in all areas,” and to “render postal services to all communities.” And I am extremely proud that in this moment when powerful forces propose to sell the public postal service to the highest bidder and through postal privatization lower the wages and benefits of postal workers and reduce universal service to the people, the APWU is recognized as being in the forefront of the struggle to protect and save what we, and I am sure this Board, consider a vital national treasure.

This mission of universal and uniform service to the people from all walks of life is eloquently stated on the building of the former Washington, D.C., Post Office, now the site of the Smithsonian Institution's National Postal Museum

Messenger of Sympathy and Love

Servant of Parted Friends

Consoler of the Lonely

Bond of the Scattered Family

Enlarger of the Common Life

Carrier of News and Knowledge

Instrument of Trade and Industry

Promoter of Mutual Acquaintance

Of Peace and of Goodwill Among Men [women] and Nations

This wonderful mission is carried out in a variety of ways by the workers our union represents. My own experience as a proud postal worker is quite typical: I was hired as a postal clerk and started as a part-time flexible Letter Sorting Machine operator. I had no set schedule, worked long hours and was assigned a variety of jobs. I switched to the OCRs and BCSs (the early automated mail processing equipment) to make full-time regular. Over my career I ran mail processors, had bid jobs on pouch racks and manual distribution, the outgoing LSM, Time-keeping and window distribution clerk, both working the window and performing box mail duties. I never had Saturday-Sunday off-days, worked various Tour III jobs most of my career, the hardest hours on family life, and was only able to gain a daytime bid after 15 years of trying. I had jobs abolished and days-off and times changed and had to adjust family schedules. Due to the faulty design of equipment, I suffered a severe work-related back injury early in my postal career, behind which local management harassed and tried to terminate me.

Clerk Craft employees process and sort mail and serve customers' many postal needs at tens of thousands of retail units from the smallest towns in rural America to the densely populated neighborhoods of the largest cities. Maintenance Craft employees keep the complex equipment running and the buildings of this massive public infrastructure up to standards, cleaned and maintained. Motor Vehicle Service (MVS) employees move mail in all kinds of weather and skillfully repair the aging fleet of vehicles that keep the letter carriers at our doors six, and now often seven, days a week. Our Support Services workers covered under this CBA, maintain postal headquarters and distribute supplies and parts for maintaining the equipment throughout the country. And as we meet here today and millions are still facing the threat of another catastrophic natural disaster, it is an important reminder that postal workers, of all crafts and unions, are often the first to bring normalcy back to the people and communities devastated by fires, floods, volcanos and storms.

We do it all 24-hours a day, seven days a week, with much night, weekend and holiday work, excessing events, job abolishment, frequently changing work schedules, and mandatory overtime, all that can negatively impact our lives and that of our families. Working conditions are far from ideal with over 40,000 injuries a year, with a major contributor being poor ergonomic design of equipment.

We carry out our mission with ever increasing staffing shortages, placing great stress on workers with excessive forced overtime, working on understaffed mail processing equipment, pressure of long lines at window operations and less clean and less safe facilities. These and too often other management decisions, such as processing facility closings, reduction in retail hours, subcontracting and service standard reductions, undermine our work and service to the people of this country. A new management “10-year business plan” in the works is unfortunately aimed at continuing cuts to employees, employees’ rights and public postal services.

Postal workers earn the right to be justly compensated for our service and hard work. The economic lot of workers should be constantly improving and those improvements should be passed on from generation to generation. We have the right to be provided a safe workplace, free of harassment and discrimination, and, after concluding our careers, earned the right to enjoy a secure and dignified retirement.

When the Postal Reorganization Act (PRA) became law in 1970 on the heels of the Great Postal Strike of that year, it established collective bargaining in the Postal Service and mandated that the USPS become a model employer in relation to the treatment and rights of its workforce. The equal opportunity provided to all workers in the USPS, the equal pay for equal work, the equal opportunity for securing preferred duty assignment through seniority bidding, the opportunity for Veterans to obtain decent jobs, is not only a core principle of our union, but a beacon for all workers throughout the country. And it should be a model for all employers. Sadly, it is not. According to facts based on Bureau of Labor Statistics research, women workers earn 78% relative to their male counterparts in similar occupations. For African American workers compared to Caucasian workers this jumps to approximately 69%. For Hispanic women this disparity grows even further to 54%! It is in the interest of postal workers, and really all workers, that the USPS be the model employer it is mandated to be – an employer that doesn’t discriminate and doesn’t, like the Walmart’s of the world, require local and state governments through various tax-payer based programs to help workers make ends meet – thus subsidizing companies that refuse to pay workers family sustaining wages.

Let me underscore this point with two quick stories, one previously shared with this Board, but so compelling worth repeating.

First, in my adopted hometown of Greensboro NC, I knew a letter carrier who expressly gave up a college teacher career path to work at the Postal Service, as a personal act of refusing to accept

the discrimination of less pay and less respect compared to the higher pay and higher regard afforded her male counterparts in academia.

Second, years ago, my wife was hired at a job at a non-union computer company in Boston. She was young and Caucasian. Workers were instructed that they were not allowed to talk to each other about their wages. She worked side by side with a long-term African American woman worker, doing the same job and who was much more skilled than my wife, the new employee. Upon becoming friends, it came to light that my wife was hired off the street at substantially higher wages than her co-worker. This is the inherent discrimination in private sector non-union workplaces that differs so much from the equal pay and opportunity of unionized postal employment. And this inherent discrimination is shamefully part of what management relies on for their argument that postal workers are overpaid.

As we discuss the interests of Postal Workers in these hearings, we cannot divorce them from the last two rounds of collective bargaining in both 2010 and 2015.

In 2011 the APWU and the USPS reached a voluntary agreement that resulted in a sea change of significant and far reaching concessions. This Board should be reminded that the five year 2010-2015 Agreement contained wage freezes for the first two years, followed by extremely modest wage increases for the last three years of 1%, 1.5% and 1%, eliminated two cost of living allowances, deferred a third and fourth one, increased employee contributions to health insurance premiums by approximately 20%, created a second lower tier pay scale of career employees with entry wage rates six to eight steps lower and lowered the top steps of pay by 5 steps for most levels of pay. The terms redefined full-time work to as little as 30 hours a week and providing new flexibility and further savings for the USPS. And it created a new “non-career” bargaining unit employee, the Postal Support Employee, who received low wages and limited benefits. It should shock the conscience, it should demand the attention of this Arbitration Board, that before the postal strike of 1970 many postal employees qualified for public assistance and yet, here we are fifty years later with the same unacceptable state of affairs. The non-career workforce now makes up approximately 26,000 employees of our bargaining unit.

Clearly the postal workers we represent suffered significant and negative economic setbacks in the 2010-2015 CBA. It is the estimate of the USPS that for the life of that Agreement (ending in May 2015) these concessions amounted to almost \$4 billion in savings to the USPS. (Our economists believe it is much greater.) The Postal Service places a \$13 billion estimate for the postal savings from the givebacks and concessions of all four postal union contracts during that period, since the other postal unions ended up with a series of similar concessions following the APWU/USPS agreement. There is no argument that those “savings” based on reduced wages and benefits, continue to grow into the future. The economic well-being and purchasing power of our members has been reduced, career status opportunities diminished, full-time work compromised, satisfying careers and our futures dimmed. While there were some management commitments made in the 2010 Agreement to the union for new job growth through a series of “job MOUs,”

these in no way equaled the sacrifice of the employees. Adding insult to injury, many of those commitments never came to be.

The 2015 round of bargaining was my first as APWU president and lead negotiator for our union. I do recognize, and am pleased, that in the 2015-2018 contract negotiations and interest arbitration, some issues of concern were favorably resolved including the elimination of the non-career tier of employees in maintenance and most of MVS, the elimination of the NTFT in mail processing, moratoriums on subcontracting PVS driving work and halting further expansion of retail contract units, increasing PSE benefits, protecting COLAs, modest but annual wage increases, continuation of no-layoff provisions and the 50-limit on excessing employees and a process for the parties to explore expanded services.

However, there are many issues that were unaddressed in 2015 or have arisen since, and call for resolution. In addition to decent wage increases, our members rightfully demand an end to the unfair and divisive three-tier structure that pays workers significantly different amounts for performing the same work. We vigorously brought and argued this issue before the panel in 2015 and will be appealing to you again to restore lost step increases from 2010. Our members want an end to a situation where new hires are non-career employees with relatively low wages and no retirement security, where we see a 35% turnover rate and where full-time career work has been placed at risk. Our members rightfully want an increased career workforce where workers make decent sustaining wages and receive a solid set of benefits – where our families reap the benefits of a better life. Our members must be relieved of an ever-growing problem of hostile work environments and a management structure that refuses to hold managers accountable for working conditions, employees' well-being and safety. The APWU leadership at all levels of our organization receives more and more reports of outrageous harassment of postal employees and a most troubling increase in sexual harassment as the workforce has become more female and younger.

It is my view that if we had the legal right to strike today, management's economic demands of a new third-tier of career employees, to destroy our COLA, expand rather than reduce the non-career work force and eliminate no-lay-off protections would be strike issues, here and now. And I ask this Board of Arbitrators to note that the elimination of unfair two-tier wage scales has been a cutting-edge issue in airline and auto industry negotiations over the last few years where the gaps have been addressed with some success.

The union certainly acknowledges that the Postal Service faces challenges with changing mail, changing habits and the negative impact of the 2006 Postal Accountability and Enhancement Act (PAEA) and its manufactured crisis caused by the absurd and onerous pre-funding of retiree health benefits. But absent this congressionally manufactured pre-funding hoax, the Postal Service would be in the black, according to the December 2018 Presidential Postal Task Force report. So, it is not gloom and doom as often presented by the media, the privatizers and some even in postal management. There are great opportunities underscored by the fact that the

private-sector, always looking for greater profits, constantly wants to get their hands on more and more of the public postal operations. Mail, both letters and packages, and the universal service obligation continue as an important democratic right of the people. Much commerce, and most certainly access to ecommerce, relies on the public Postal Service. There are tremendous new opportunities from store to door, to the 30% on-line orders that are returned, to expanded financial and other postal services. Postal workers should not pay a price for management's lack of vision and the downward spiral they, and the politicians, have created.

Let's be very clear. This interest arbitration forum is neither a bankruptcy court, nor is it the Postal Regulatory Commission that can deal with postal rates. This Board is not Congress, the entity that can, and should, legislate postal reform and fix the problems they created. It cannot address the pre-funding debacle or the PRCs lack of addressing the postal price cap despite their authority to do so. It cannot bring back the billions of pieces of mail which, with the undue influence of the large mailers, have been diverted into the private sector, not because of wages, but through pre-sort corporate welfare discounts. It cannot address management's detrimental decisions to undermine service, severely slow down the mail and drive away business and revenue. In fact, this panel was crystal clear three years ago, that it cannot weigh the financial condition or financial problems of the USPS, perceived, real or manufactured, in weighing and rendering its decision.

But what this Board of Arbitrators can do is take the opportunity to justly compensate and elevate the lives of postal workers. It can take the opportunity to promote a vision and path of a Postal Service that will be vibrant for generations to come. Our economic proposals are fair and reasonable, especially in light of the substantial sacrifice of postal workers over the last nine years. These include proposals averaging over 3% a year general wage increases, a substantial shift of the non-career workforce to career, protection of COLAs and no lay-off, increased company contributions to skyrocketing health premiums and the elimination of multi-tier pay scales. And our calls for better staffing for better customer convenience and service will help secure a bright future for the public postal service.

Former Postmaster General Patrick Donahoe may be gone but unfortunately his sentiments are not. In his farewell speech in early 2015, at the National Press Club he proclaimed that young workers don't deserve traditional defined-benefit retirement plans. He called on Congress to use the Postal Service as "a laboratory" (and that is the term he used) for destroying these decent retirement plans (and other benefits such as healthcare benefits) as a prelude to eliminating them throughout the entire federal government. We find these views permeating the Office of Management and Budget (OMB) proposals and the Postal Task Force report, as well as management's new "business plan."

The APWU believes that the Postal Service should be a “laboratory”, an incubator – as it has been for decades following the Postal Reorganization Act and the advent of true collective bargaining instead of collective begging – an incubator of good, living-wage jobs for workers from all walks of life, with equal pay for equal work for women and minorities and solid job opportunities for veterans.

The key to the past, and now to the future success of the postal service, is the hard work and dedication of hundreds of thousands of postal workers – from those who sell postage and accept packages, to those who sort medicines and catalogs, to those who transport the mail and repair the vehicles, to those who maintain the equipment and facilities, to those who deliver the mail.

Let me share a couple examples of the kind of incredible dedication I am speaking of, and you will be hearing from workers themselves in the coming hearings. I often spend some time on the workroom floor as a way of staying in touch with postal workers, seeking their ideas and concerns. I met two long-term women workers one afternoon, very troubled and concerned that the mail was sitting for days and the people were not getting the kind of service they were paying for and deserved. They had been working together on tour I for many years and with the change in service standards in January 2015 that eliminated overnight delivery, they were able to secure daytime tour II jobs as some night work shifted to day time work. They pleaded with me, that while they were much better off personally with the daytime shifts, out of a sense of fairness to the postal patrons they would gladly return to Tour I in order to service the customers. At another processing center in the mid-west, a 27-year veteran postal worker shared with me that staffing in her manual flat section had been cut in half and they were being worked to the bone on forced overtime and holiday scheduling. But what brought her to tears was pointing to the mail around her saying that it had been sitting for 7 days and the customers deserved better.

Since it would be unfair to expect you to remember it from three years ago, let me once again tell you as the Arbitration Board another part of my personal postal story. When I began working at the post office, hired as a career employee in 1983, my life rapidly changed for the better. I had three young children at the time. Literally overnight I was making good union wages and good benefits. I had union negotiated job security. I knew I had a future if I wanted to stay. My family became that much more fortunate when my wife also became a career postal worker, a year and a-half later.

My postal career began 13 years after the start of a massive shift – one that turned low-paying postal work into good jobs, a shift that resulted from the 1970 postal strike. Those postal workers who stormed the heavens did not know if they would still have jobs after an unlawful job action. But their legitimate frustrations and anger left them no other path, much like the teacher and school workers of present. They did it to take care of themselves and their families and in doing so took care of me and other postal workers who followed. I now believe it is not only our turn to take care of ourselves, but to reach out to the new workers, the younger workers, and those who

aren't here yet to make sure we're passing on decent sustaining wages, good benefits, secure retirements – where workers are not living to work, but working to live, and live decently.

Board Members:

We have just honored the contribution of workers this Labor Day. All is not well. Growing income inequality in the U.S. is a huge and deeply troubling problem. The top one tenth of one percent has as much wealth as the bottom 90%. By some reports Bezos of Amazon rakes in \$230,000 a minute, I repeat, a minute. Chipotle CEO Niccol has compensation of \$18,000/hour, more than the typical Chipolte worker earns in a year of hard work. While unemployment is low, far too many jobs are low wage and lack benefits. The federal minimum wage of \$7.25/hour has not changed in over a decade. Millions of fulltime workers make up the ranks of the “working poor.” Even with low unemployment it is harder and harder for working folks to make ends meet and with low unionization rates, workers suffer with less income and less benefits. On the basic issue of housing, according to recent statistics and studies, workers need an average wage of \$23/hour to even afford a modest two-bedroom rental apartment, not to mention home ownership. Collective Bargaining gives us the opportunity to be part of the solution, rather than part of the problem. Management’s regressive proposals are not only unwarranted by any legitimate measure, but are an insult. And they exacerbate the problem of vast income inequality.

It continues to be in the interests of postal workers to reverse the tide of the race to the bottom and turn back to the kind of standards of wages, benefits, workforce structure and rights that since the advent of collective bargaining in 1971 have made postal work a rewarding career, and despite its challenges, that workers are proud of, where our work is honored and respected, our families are secure and our communities reap the benefits of both good and vital services and the positive impact of good jobs.

Starting today and throughout the month of September APWU represented workers all over the country, are donning stickers united in our interests: “Arbitration 2019, Good Contract Now!”

From the start of this round of collective bargaining for a new good union contract, we have rallied around our call of “Fighting Today for a Better Tomorrow!” To postal workers, this is what our interests are all about

With that I conclude and welcome any questions. Thank you.