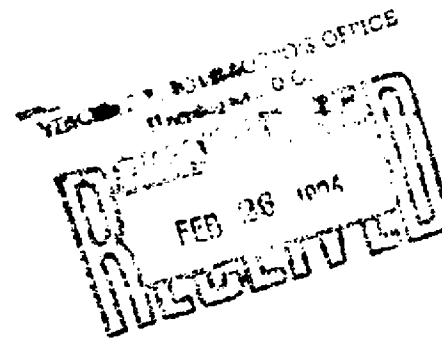




February 22, 1996

Mr. Vincent R. Sombrotto  
President  
National Association of Letter  
Carriers, AFL-CIO  
100 Indiana Avenue, N.W.  
Washington, DC 20001-2197

Re: H7C-NA-C 36  
H7C-NA-C 132  
H0C-NA-C 28



Dear Mr. Sombrotto:

On January 29, 1994, Arbitrator Richard Mittenthal rendered his decision in Case Nos. H7C-NA-C 36, H7C-NA-C 132, and H0C-NA-C 28. These cases concerned allegations that the Postal Service had exceeded the 5 percent national cap on casual usage in a significant number of accounting periods (APs). See Article 7.1.B.3. Arbitrator Mittenthal granted the grievances to the extent set forth in his Opinion, but he did not direct a specific remedy. Rather, he remanded the remedy issue to the parties, who through "hard work and imagination" were called upon by the Arbitrator to "find a mutually acceptable solution."

Although Arbitrator Mittenthal did not direct a specific remedy, his Opinion and Award plainly established certain parameters to guide the parties' efforts to reach agreement. It is based upon the findings and principles of Arbitrator Mittenthal's Opinion and Award that the parties have agreed to resolve the outstanding issues in these cases. Arbitrator Mittenthal concluded that some form of monetary remedy was justified. He also determined that such monetary remedy, to the extent possible, should be based upon a showing of actual harm, even though he recognized that the possibility of identifying individual employees actually injured by any national casual violations was "slim indeed". Finally, Arbitrator Mittenthal found that "[m]ost of the excess casuals appear to have been employed in mail processing operations, particularly in the larger postal facilities." Recognizing, as did Arbitrator Mittenthal, the virtual impossibility of identifying individual employees who may have been actually harmed by excessive casual use, calculated on a national basis, the parties have devised a methodology which is both administratively feasible and best approximates the impact that excessive casual usage may have had on different groups of employees, consistent with the findings of Arbitrator Mittenthal and the evidence presented at the hearing.

The following is the agreed-upon methodology. For installations with at least 50 career city carriers ("eligible installations"), a printout was developed showing the installation-wide casual percentage (JBC) for each of the 18 accounting periods in which a national casual violation occurred (as identified in the Mittenthal decision). For each of the 18 APs in which an office had more than 5 percent casuals in the JBC crafts collectively, the percentage of casuals in the carrier craft was determined.

Each city carrier now on the rolls will receive a lump-sum payment of \$15.10 for each of the 18 APs identified above in which he or she worked in an eligible office that employed more than 5 percent casuals in both the city carrier craft and the JBC crafts collectively.

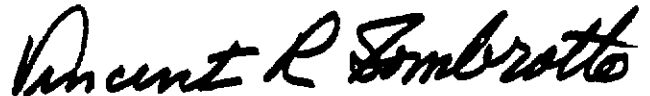
A computer tape has been developed and agreed upon as fulfilling the terms of this settlement. No additional payments shall be authorized by this settlement beyond those indicated on the computer tape.

Payment will be included as an adjustment on a regular check. It is anticipated that payment will be made in the check for pay period 08/96.

Please sign and return the enclosed copy of this decision as your acknowledgment of agreement to settle these cases, withdrawing them from the pending national arbitration listing.



Anthony J. Vegliante  
Acting Manager  
Grievance and Arbitration



Vincent R. Sombrotto  
President  
National Association of  
Letter Carriers, AFL-CIO