

September 12, 1997

VICE PRESIDENTS, AREA OPERATIONS
NALC NATIONAL BUSINESS AGENTS

SUBJECT: Interim Approach Under Fourth Bundle Agreement

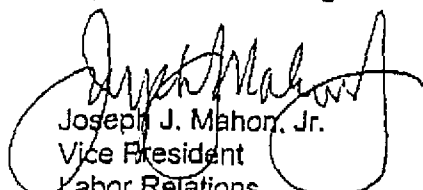
As you are aware, the Postal Service and the National Association of Letter Carriers signed an agreement dated August 12, 1997 in response to Arbitrator Snow's award in the fourth bundle case. That agreement provided that, for the interim period pending completion of a joint study at the national level, the local parties were to "select the most efficient approach for handling unaddressed flats on those park and loop and foot routes in DPS for which the composite bundle work method has been selected" by September 6, 1997.

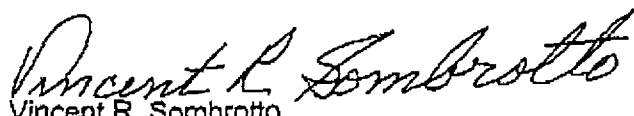
It has come to our attention that there are numerous locations in which the local parties have not yet agreed on an approach. This memorandum provides further direction to the parties in those offices which have not yet reached agreement on an interim approach.

It is the intention and desire of the Postal Service and the NALC that the local parties make reasonable and constructive efforts to reach agreement on an interim approach, not that they make unilateral decisions and file grievances. Accordingly, we ask the parties in those offices without an agreement to meet again to attempt to reach the best local solution consistent with our agreement. We are well aware that, in some locations, one or both of the local parties have taken an extreme position, offering only one option as acceptable. We ask those parties to drop their extreme positions and attempt to find a reasonable, fair, mutually-agreeable solution for the interim period.

The national parties have agreed that the local parties in those offices without an agreement will have until September 26 to reach agreement on an interim approach. Absent agreement on that date, the national parties will impose a procedure for determining an interim approach. Further, until the local parties reach agreement or commence the resolution procedure specified by the national parties, the regular carrier on the route will determine the most efficient approach for handling unaddressed flats.

We hope that the local parties working together will be able to agree on an interim approach, and we urge best efforts toward that end.


Joseph J. Mahon, Jr.
Vice President
Labor Relations
U.S. Postal Service


Vincent R. Sombrotto
President
National Association of Letter Carriers,
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**USPS-NALC PROCEDURE FOR
DETERMINING INTERIM APPROACH**

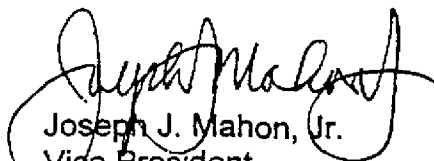
The procedure set forth herein applies only to those routes on which no interim approach for handling unaddressed flats has been jointly selected as of September 26, 1997.


By letter dated September 12, 1997, the national parties directed that local parties without agreements make another attempt to agree upon an interim approach and that the regular carrier would determine the most efficient method while that effort was underway. If there still is no agreement between the local parties on an interim approach on a route as of September 26, the local parties will assess the efficiency of the approach which the regular carrier has selected as follows:

1. For each such route, all time used on the route on the first six (6) days unaddressed flats are delivered using the carrier's selected approach, including auxiliary assistance and overtime, will be averaged to determine the average daily total work hours used on the route on those days.
2. For each such route, the delivery unit manager and the shop steward will also review and average the daily total work hours used on the route on each of the six (6) days unaddressed flats were delivered immediately prior to August 4, 1997. This will serve as baseline data.
3. If the average daily total work hours using the carrier's selected approach do not exceed the average daily total work hours reflected by the baseline data, the carrier will continue to use the selected approach during the interim period, as long as the same level of efficiency is maintained.
4. If the average daily total work hours using the carrier's selected approach exceed the average daily total work hours reflected by the baseline data, the delivery unit manager and the shop steward will conduct a review to determine whether the increase in average daily total work hours is the result

of increased time in the office, or on the street. If the office time increased, the total volume delivered on the targeted unaddressed flat days during the two periods will be reviewed. If it is determined that the office time increase was not caused by a volume increase, or if it is determined that the carrier's street time increased for any reason, or if the carrier's same level of efficiency is not maintained as provided in paragraph 3 above, management will select the approach for handling unaddressed flats for the remainder of the interim period.

5. In the event that an affected route is served by a carrier other than the regular on the route, the career carrier who will be predominantly serving the route during the interim period will be deemed the "regular" carrier for the purpose of selecting the interim approach.
6. The approach used by the regular carrier will be used by the T-6 assigned to the route as well as any replacement coverage due to "opt" or assignment.
7. It is mutually understood that 1) this is an interim step pending the completion of the national level study to determine the relative efficiency of different approaches; 2) management may, during this interim period, continue to monitor any selected approach to insure continued efficiency; 3) the continued use of a carrier's selected approach is dependent on maintaining the level of efficiency demonstrated during the comparison period; and 4) agreements on the selected approach are made for the interim period only, and are made without precedent or prejudice to the national level study to be conducted by the national parties pursuant to the August 12 agreement, and are not citable in any manner in any forum except to enforce this agreement.


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