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JUN 30 1998

CONTRACT ADMINISTRATION UNIT
N.A.L.C. WASHINGTON, D.C.

Mr. William H. Young
Vice President
National Association of Letter
Carriers, AFL-CIO
100 Indiana Avenue
Washington, DC 20001-2197

RE: Q90N-4Q-C 95064925
CLASS ACTION
WASHINGTON, DC 20260-9998

Dear Mr. Young:

On June 9, 1998, Nora Becker of my staff met with you in pre-arbitration discussions regarding the above-listed grievance currently pending national arbitration.

The issue in this case is whether the instructions contained in the "DPS Decision Trees and Flow Chart-National Delivery Conference June 27-29, 1995," are inconsistent and in conflict with the six (6) Memorandums of Understanding between the NALC and the USPS on DPS Implementation contained in, "Building Our Future by Working Together."

As a result of those discussions, it was mutually agreed that the disputed issues in this case have been addressed by the following National Arbitration Awards and Step 4 Settlements:


- Step 4 (June 12, 1996) J94N-4J-C 96028815
- National Award (June 9, 1997) Carlton Snow, Q90N-4Q-C 93034541
- Fourth Bundle Agreement (August 12, 1997)
- Interim Approach Under Fourth Bundle Agreement (September 12, 1997)
- NALC-USPS Joint Memorandum
- NALC-USPS Procedure for Determining Interim Approach (September 26, 1997)
- Pre-arbitration Settlement (December 3, 1997) Q94N-4Q-C 96091697
- Pre-arbitration Settlement (June 24, 1997) H90N-4H-C 94061042
- Pre-arbitration Settlement (May 12, 1998) H90N-4H-C 94057924 and
H90N-4H-C 94038163

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WASHINGTON, DC

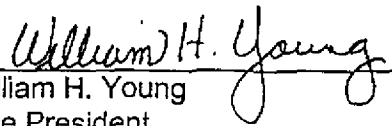
Without prejudice to management's position that the purpose of the subject document was to serve as a management tool to assist delivery unit and plant managers in making some key decisions concerning DPS implementation, it was mutually agreed that the foregoing citations represent a full and final settlement of the issues disputed in this case.

Please sign and return the enclosed copy of this letter as your acknowledgment of agreement to close this case and remove it from the pending national arbitration listing.

Sincerely,



Pete Bazylewicz
Manager
Grievance and Arbitration
Labor Relations



William H. Young
Vice President
National Association of Letter
Carriers, AFL-CIO

Date: 7/6/98