

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

Re: Upgrade of NALC Represented Employees

It is hereby agreed by the United States Postal Service and the National Association of Letter Carriers, AFL-CIO, that, based on Arbitrator Fleischli's September 19, 1999, Interest Arbitration Award regarding the upgrade of NALC represented grade 5 employees and maintaining the existing salary differential for NALC represented grade 6 carrier technician employees as well as other considerations, the following procedures will apply:

1. UPGRADE OF NALC REPRESENTED GRADE 5 EMPLOYEES

- a. Effective November 18, 2000, all NALC represented grade 5 employees will be upgraded to new NALC grade 1. The upgrade applies to full-time, part-time regular, part-time flexible, and transitional employees. The parties further agree that the new NALC grade 1 salary schedule shall be implemented, effective November 18, 2000.
- b. All NALC represented grade 5 employees will be upgraded to new NALC grade 1 based on a step-to-step upgrade procedure. Effective November 18, 2000, employees will be upgraded to new NALC grade 1 at the same step they previously held in grade 5. As an example, grade 5 step A employees will be upgraded to new NALC grade 1 step A, while grade 5 step O employees will be upgraded to new NALC grade 1 step O. All upgraded employees will receive waiting period credit applied towards their next step for accumulated weeks served in their current step.


2. MAINTAINING THE CARRIER TECHNICIAN DIFFERENTIAL

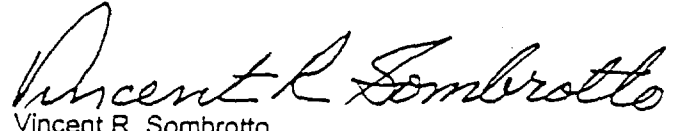
- a. In order to maintain the carrier technician differential, effective November 18, 2000, NALC represented grade 6 carrier technician employees (occupation code 2310-2010) will be placed into new NALC grade 2. NALC represented grade 6 vehicle operations and maintenance assistant employees (occupation code 2310-2012) will not be placed into new NALC grade 2. Instead, these employees will continue to be paid at new NALC grade 1. The parties further agree that the new NALC grade 2 salary schedule shall be implemented, effective November 18, 2000.
- b. New NALC grade 2 salaries will be developed by applying the dollar differential by step between NALC grades 5 and 6 as of November 18, 2000. This dollar differential will then be added to new NALC grade 1, by step, to create new NALC grade 2, by step, effective November 18, 2000.
- c. NALC grade 6 carrier technician employees will be placed into new NALC grade 2 based on a step-to-step procedure. Effective November 18, 2000, NALC grade 6 carrier technician employees will be placed into the new NALC grade 2 at the same step they previously held in grade 6. As an example, grade 6 step A employees will be placed into the new NALC grade 2 step A, while grade 6 step O employees will be placed into the new NALC grade 2 step O. All employees placed into the new NALC grade 2 will receive waiting period credit applied towards their next step based on accumulated weeks served in their current step.

3. ADDRESSING THE PROMOTION PAY ANOMALY

The parties intend to continue discussions either prior to or during national negotiations in 2001 in an effort to permanently resolve the promotion pay anomaly associated with the NALC salary schedule.

The parties agree this Memorandum of Understanding is a full and complete settlement of any claims that have been, or could be, asserted against the Postal Service with regard to the upgrade provisions of Arbitrator Fleischli's September 19, 1999, Interest Arbitration Award. This Memorandum of Understanding is being entered into on a nonprecedential basis and may not be cited or used in any forum whatsoever, except to enforce its provisions.


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Vice President
Labor Relations
U.S. Postal Service


Vincent R. Sombrotto
President
National Association of Letter
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Date: 3/21/00