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Mr. William H. Young **Executive Vice President** National Association of Letter Carriers. AFL-CIO 100 Indiana Avenue, NW Washington, DC 20001-2144

JUN 15 2000

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

Re: G90N-4G-C 95002498 Class Action

Amarillo, TX 79120-9998

Dear Mr. Young:

On June 9, 2000, our representatives met in prearbitration discussions to discuss the above-captioned grievance currently pending national arbitration.

The issue in this grievance is whether the retention of NALC transitional employees in the Amarillo, Texas Post Office is in violation of Arbitrator Mittenthal's Interest Arbitration award.

There is no dispute between the parties that TEs hired under the DPS formula cannot be rehired or retained except as provided for by Arbitrator Mittenthal and the Revised Chapter 6 supplement to Building Our Future by Working Together. Further, there is no dispute between the parties that, once the final target percentage has been reached, the adjustments made, and savings are captured, TE hours should be reduced proportionate to the workload taken out of the Unit. The use of any remaining TEs should be phased out "within 90 days of when DPS is on line and cost effective in terms of barcoding goals in the specific five-digit delivery unit."

The parties agree to close this case at this level and remove it from the pending national arbitration listing.

Please sign and return the enclosed copy of this decision as your acknowledgment to remand this case to the parties at Step 3 for further processing, including arbitration, if appropriate.

Sincerely,

Doug A. Tulino

Manager

Labor Relations Policies and Programs

Executive Vice President

National Association of Letter Carriers,

AFL-CIO

Date: _ 6-26-2000