

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

Re: Arbitration Task Force

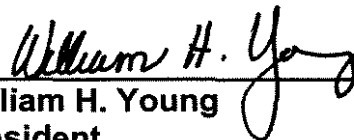
The parties have a shared interest in reducing the cost and improving the efficiency of the arbitration process. Therefore, it is agreed to establish a national level Task Force to evaluate the impact of modifying the manner by which we handle the arbitration process to achieve our goals of reduced cost and improved efficiency.

The Task Force will consist of three members appointed by the NALC and three members appointed by the Postal Service. The Task Force is authorized to test alternate methods of administering the arbitration process, to include the following: district arbitration panels, a centralized scheduling center, and the procedures used to hire and compensate arbitrators. The Task Force is prohibited from implementing any test on any of these components without the agreement of the NALC President and the Vice President of Labor Relations.

The Task Force will function during the term of the 2006 National Agreement. The Task Force will provide semiannual reports and recommendations to the NALC President and the Vice President, Labor Relations, or their designees on a quarterly basis.



**Doug A. Tulino
Vice President
Labor Relations
U. S. Postal Service**



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

Date: September 11, 2007