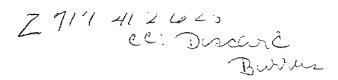
JOSEPH J. MAHON JR. VICE PRESIDENT, LABOR RELATIONS





March 7, 1996

Mr. Moe Biller President American Postal Workers Union, AFL-CIO 1300 L Street, NW Washington, DC 20005-4107

Dear Moe:

This letter is intended as follow up to the meetings held with each craft director at your direction to address the APWU's suggested input/changes regarding the proposed competitive level groupings of bargaining unit employees provided to the union for future potential Reduction In Force (RIF) actions.

After meeting with each craft representative and receiving input on the APWU's suggested competitive level grouping changes, the enclosed list reflects the Postal Service's final competitive level groupings for the purpose of future RIF actions. Some of the suggested changes made by the APWU were adopted in the revised package and some were not.

This fulfills our contractual obligation in Article 6, Section C.5., which states in part:

"In determining competitive levels and competitive areas applicable in a force reduction, the Employer will submit its proposal to the Union(s) at least 30 days prior to the reduction. The Union(s) will be afforded a full opportunity to make suggested revisions in the proposal. However, the Employer . . . reserves the right to make the final decision with respect to competitive levels and competitive areas."

Having met the contractual obligations with respect to the establishment of competitive levels and competitive areas, the Postal Service will utilize the enclosed document as the competitive levels in future RIF actions.

Thank you for your cooperation and input in this process. If there are any questions, do not hesitate to contact Peter Sgro of my staff at 202-268-3824.

Sincerely,

Joseph J. Mahon, Jr.

Enclosure

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