



Mr. Gary Kloepper
Assistant Director
Maintenance Division
American Postal Workers Union
AFL-CIO
1300 L Street, NW
Washington, DC 20005-4128

RE: Q00T-4Q-C-05060577
Class Action
Washington, DC 20260-4126

Dear Mr. Kloepper:

Recently, we met to discuss the above captioned grievance at the fourth step of our contractual grievance procedure.

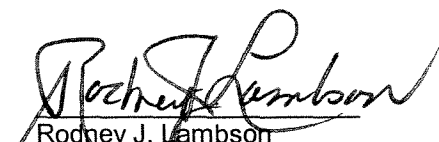
The issue in this grievance is whether the Postal Service violated Article 32.1 of the National Agreement and Section 530 of the Administrative Support Manual (ASM) when it subcontracted out the modifications for equipment in Bulk Mail Centers under the Equipment Enhancement Project Phases I & II.

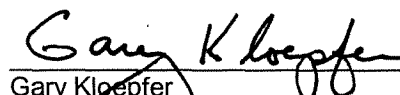
After reviewing this matter the parties mutually agree that no national interpretive issue is fairly presented in this case. Modifications made under the Equipment Enhancement Project Phases I & II to the BMCs were site specific, and as such, decisions were made locally regarding the subcontracting of these modifications. **Local Management is responsible for giving due consideration** to public interest, cost, efficiency, availability of equipment and qualification of employees when it evaluates its need to subcontract. Therefore, **it is local management's responsibility to demonstrate to the local union that it gave due consideration to the factors in Article 32.1 of the National Agreement in evaluating the need to subcontract.** It is also local management's responsibility to fulfill Request for Information when submitted by the local union.

Accordingly, we agreed that all grievances at this level regarding the BMC Enhancement Project are to be returned to the same stage from which they were referred.

Please sign and return the enclosed copy of this decision as your acknowledgment of agreement to settle this case.

Sincerely,


Rodney J. Lambson
Labor Relations Specialist
Contract Administration


Gary Kloepper
Assistant Director
Maintenance Division
American Postal Workers Union,
AFL-CIO

Date: JULY 18, 2006