

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
JOINT BARGAINING COMMITTEE
(AMERICAN POSTAL WORKERS UNION, AFL-CIO, AND
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO)

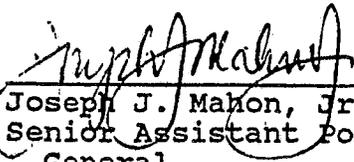
RE: ELIGIBILITY FOR ONE-TIME CASH PAYMENT AND ONE-TIME COLA CASH
PAYMENT

The parties agree that they will establish at the national level a committee to review individual cases, brought directly to the committee by the union, where the union believes that application of the eligibility criteria set forth at Article 9.4.C.1 and 2 would produce inequitable results. The intent of the parties is not to deprive an employee of the one-time cash payment or one-time COLA cash payment solely because such employee is not in a pay status during the pay period immediately prior to the effective date of the one-time cash payment or one-time COLA cash payment. Some examples of where an employee would not be considered ineligible for the one-time cash payment or one-time COLA cash payment include:

A 14-day suspension which happens to fall exactly within the pay period immediately prior to the effective date of the one-time cash payment or one-time

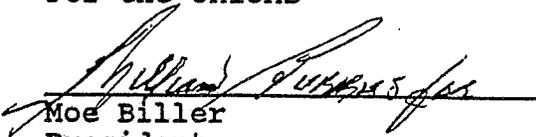
COLA cash payment; Union-Officer leave pursuant to
Article 24, Section 2, or other short-term union
detail; or short-term approved leave.

For the United States
Postal Service

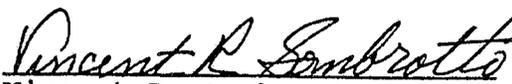


Joseph J. Mahon, Jr.
Senior Assistant Postmaster
General
U.S. Postal Service

For the Unions



Moe Biller
President
American Postal Workers
Union, AFL-CIO



Vincent R. Sombrotto
President
National Association of
Letter Carriers, AFL-CIO