

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
AMERICAN POSTAL WORKERS UNION, AFL-CIO**

1/10/11
2/1/11

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2-18-2011

Re: Consideration of National Outsourcing Initiatives

The parties agree that it is in their best interest to meet and discuss national outsourcing initiatives at an early stage of the process.

Once the Strategic Initiatives Action Group (SIAG) has determined that a proposed concept will involve significant impact on bargaining unit work and preparation begins on a memo detailing consideration of the five Article 32 factors, the Union will be provided notification. Union involvement at this early stage of the process is without prejudice to either party's position regarding the determination as to whether there is a potential significant impact on bargaining unit work.

Following receipt of notice, the Union will be afforded opportunities for briefings, meetings and information sharing as the concept is developed, costing models prepared, and a Comparative Analysis document drafted.

The above process also will be utilized when an existing contract for a national outsourcing initiative is expiring and consideration is being given to rebid the outsourcing of the work.

The parties understand that the purpose of the Memorandum of Understanding is to allow the Union an opportunity to compete for the work internally at a point in time contemporaneous with the outsourcing process and early enough to influence any management decision. The Union may suggest less restrictive work rules, mixes of employee categories, lower wage rates that may improve the efficiency and lower the costs of an in-house operation.