



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

RE: C98T-1C-C 99259965
Class Action
Philadelphia, PA 19101-9998

Dear Mr. Kloepfer:

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 National Agreement when it subcontracted out the modifications to the Parcel Sorting and Sack Sorting machines.

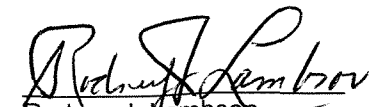
After reviewing this matter the parties mutually agree that no national interpretive issue is fairly presented in this case. Modifications made to the Parcel Sorting and Sack Sorting machines at the Philadelphia BMC were site specific, and as such, decisions were made locally regarding the subcontracting of these modifications. Therefore, whether there was a violation of the National Agreement must be determined locally based on the application of the particular fact circumstances involved.

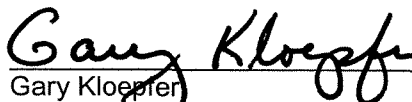
Accordingly, we agreed to remand this case to the parties at Step 3 for further processing or to be scheduled for arbitration, as appropriate. If this case were withdrawn from regional arbitration prior to referral to Step 4, it will be returned to the same stage of arbitration in accordance with the Memorandum of Understanding entitled "Step 4 Procedures."

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

Time limits at Step 4 were extended by mutual consent.

Sincerely,


Rodney J. Lambson
Labor Relations Specialist
Contract Administration


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

Date: 7/30/03