

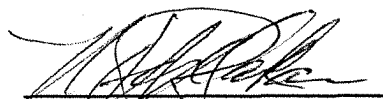


Memorandum of Understanding
Between the
United States Postal Service
And the
American Postal Workers Union, AFL-CIO

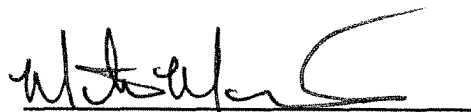
Re: Alternate Dispute Resolution Procedure (ADRP)

The parties agree to the following guidelines:

1. The parties at the national level have identified the following issues, when unresolved at the local level, to be referred to the ADRP:
 - A. Promotion Pay Disputes
 - B. FLSA Disputes
 - C. VERA Disputes
 - D. Article 12 Disputes
 - E. TACS Disputes
 - F. Non-Traditional Full-Time (NTFT) Rollout Disputes
 - G. Retiree Payroll Disputes
2. Disputes may be initiated at the local level within 14 days of the date on which the employee or the union first learned or may reasonably have been expected to learn of its cause. Disputes initiated at the local level will be discussed between the designated representatives of the local union and local management. If the discussion does not lead to resolution of the issue, the union may forward the dispute to the Area level within 15 days to be discussed between the USPS and appropriate APWU National Business Agent. The parties will exchange names and addresses at each level of the procedure.
3. If the issue is not resolved at the Area level, the union may forward the dispute to the designated union representative at the national level within 21 days for discussion with the USPS designee.
4. If the issue is unresolved after review by the national parties, the union may appeal to arbitration within 30 days.
5. Either party may withdraw from this procedure by giving the other party 30-day written notice at the national level. In the event that either party should withdraw from this procedure, cases already filed under this agreement will be processed under this procedure.



Michael R. Mlakar
Manager, Field Labor Relations
United States Postal Service



Mike Morris
Director, Industrial Relations
American Postal Workers Union,
AFL-CIO

Administrative Dispute Resolution Procedure (ADRP)

Pursuant to the provisions of the 2010-15 National Agreement, the parties have reached agreement on the continuation of the ADRP established pursuant to the 1994 national agreement. The process is designed to expeditiously resolve complex disputes identified by the parties. This process will consist of a three (3) step procedure: (1) at the local level, (2) at the area/district level and (3) at the national level.

1. The local president, or designee, will initiate an appeal at Step 2 using the standard Step 2 grievance form identifying at "Line #11" that the dispute is under the ADRP process. The ADRP appeal will be filed with the designated local management official (management at the local and area/district level will announce the names of the designated officials). The time limit for discussion and appeal at each step is governed by Article 15 of the national agreement. The local union president or designee and the management designated representative will meet at a mutually agreeable time to discuss all pending disputes identified under the ADRP procedure. The purpose of discussion at the local level is to determine if there is a dispute over the facts or a general misunderstanding of the issue, and where possible, resolve the matter. Locals are advised to designate locally filed grievances under the ADRP procedure with a unique local number to identify them as separate from pending grievances.
2. If the local parties are unable to resolve the issue, the union may appeal to Step 3 using the standard Step 3 appeal form and noting the ADRP violation. A copy of the "ADRP annotated Step 2 Appeal Form, and any written position statements, if issued should be included with the appeal, which should be addressed to the USPS Grievance Processing Center. A complete file, including these documents as well as the local's detailed position statement, all relevant documentation, and any alternatives discussed should be forwarded to the appropriate APWU National Business Agent(s). ADRP appeals will be discussed at the area/district level by the APWU business agent and management designated representatives. When logged in at the grievance processing center, ADRP grievances will be given a unique designation noting coverage under the ADRP procedures. The purpose of discussion at the area/district level is to determine if a specific office or manager is in compliance with the area/district interpretation of the specific issue, and where possible, to resolve the matter. Disputes over the interpretation of issues under the ADRP should be referred to the national level. If unresolved at the area/district level, the dispute will be appealed to the national level.

3. If unresolved at the national level, the union will certify the dispute to arbitration at either the regional or national level.
4. Grievances previously filed on subjects under the ADRP procedure will be removed and forwarded to the ADRP at the step where they are identified (Step 1&2 to Step 2, Step 3 to area/district level, pending arbitration to national level.

The designated APWU officials to discuss ADRP disputes at the national level are:

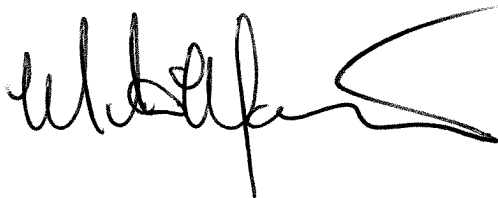
Phil Tabbita – Promotion Pay Disputes, VERA Disputes

Patricia Fitzgerald – FLSA Disputes

Steve Raymer/Rob Strunk – Article 12 Disputes

Pat Williams – TACS Disputes, NTFT Rollout Disputes¹

Michael Foster – Retiree Payroll Disputes

A handwritten signature in black ink, appearing to read 'Mike Morris', with a large, sweeping flourish extending to the right.

Mike Morris
Industrial Relations Director
American Postal Workers Union

September 2, 2011

¹ Please note the parties have reached agreement that the ADRP process will only be utilized for the start-up of NTFT assignment procedures. Once the initial NTFT staffing process is completed the specified ADRP process will be phased out and these issues will be resolved in the normal process.