

LABOR RELATIONS



Mr. Randy Anderson
Director of Labor Relations
National Rural Letter Carriers'
Association
1630 Duke Street, 4th Floor
Alexandria, VA 22314-3465

Re: E95R-4E-C 01267089
R. Nason
Issaquah, WA 98027

Dear Randy:

On several occasions, the most recent being September 16, 2005, we met to discuss the above-captioned grievance at the fourth step of our contractual grievance procedure.

The issue in this grievance involves compensation for rural carriers that actually work more than 2,240 hours within the guarantee period.

During our discussion, we mutually agreed that the following will constitute full and complete settlement of this grievance:

Article 9.2.A.1.m of the National Agreement states, "No regular rural carrier compensated pursuant to FLSA Section 7(b)(2) may actually work in excess of 2,240 hours within the fifty-two (52) consecutive week guarantee period. In the event any such carrier actually works more than 2,240 hours within the guarantee period, the Agreement under FLSA Section 7(b)(2) will be considered void, and such carrier shall be compensated for all hours actually worked during the guarantee period in accordance with FLSA Section 7(a)."

The parties agree that all rural carrier actual work hours (including hours worked on relief days) are included in the calculation to determine whether the carrier exceeded 2,240 hours and in the recalculation of the compensation in accordance with FLSA Section 7(a).

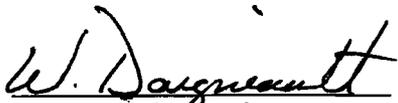
In accordance with Section 214.3 of the M-38 Methods Handbook, managers are responsible for assuring that rural carrier workhours are projected and reviewed periodically throughout the guarantee period and for taking corrective action to avoid allowing rural carriers to exceed 2,240 actual work hours in the guarantee period.

Therefore, the parties agree that if a rural carrier's actual work hours exceed 2,240 in the guarantee period as a result of management's failure to take corrective action in accordance with Section 214.3 of the M-38 Methods Handbook, the rural carrier will not be responsible for an indebtedness resulting from the FLSA Section 7(a) recalculation.

Based on the local circumstances in the instant grievance, no further action is necessary.

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

Sincerely,



William Daigreault
Manager
Contract Administration (NRLCA)
Labor Relations



Randy Anderson
Director of Labor Relations
National Rural Letter Carriers'
Association

Date: 9-22-05