

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

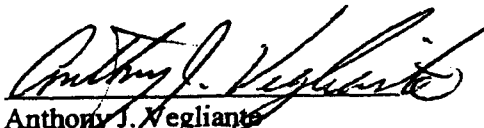
Re: Modified Work Week


The parties at the local level may negotiate the establishment and implementation of a modified work week program for APWU bargaining unit employees in one or more Postal Service operations within local installations. The modified work week is defined as four (4) service days, each consisting of ten (10) hours within twelve (12) consecutive hours, except that it shall be ten (10) hours within eleven (11) consecutive hours in all offices with more than 100 full-time employees in the bargaining units. Modified work weeks can be applied only to full-time regular duty assignments.

Any such program establishing and implementing a modified work week is subject to the following conditions:

1. Either management or the union at the local level may choose to negotiate or not negotiate a modified work week. A decision by management or the union not to participate in a modified work week program will not be subject to the Article 30 impasse process, the grievance/arbitration procedure, or appealable in any other forum.
2. Cancellation of either local party's involvement in a modified work week program will be automatic upon 30 days written notice. Cancellation by either party will not be subject to the grievance/arbitration procedure or appealable in any other forum.
3. Rules established by the parties at the national level in the "Modified Work Week (10/4) Guidelines" or its amendments must be followed.
4. Alleged violations of this memorandum of understanding or any program implemented in accordance with this memorandum are subject to the Article 15 grievance procedure.
5. Except as provided for in this MOU or the Modified Work Week Guidelines, no modified work week program can be inconsistent or in conflict with the National Agreement.

Dated: December 18, 2001

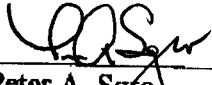

Anthony J. Negliante
Vice President for Labor Relations
United States Postal Service


William Burrus
President
American Postal Workers Union, AFL-CIO

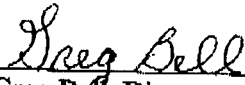
This MOU will be printed in the 2000 National Agreement.

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

In accordance with the Memorandum of Understanding regarding the "Modified Work Week" dated December 18, 2001, the MOU will be printed in the 2000 National Agreement. The parties further agree that the "rules established by the parties at the national level in the "Modified Work Week (10/4) Guidelines" will be printed in the 2000 National Agreement as "Appendix A" to the Modified Work Week MOU.



Peter A. Sgro
Manager
Contract Administration
U.S. Postal Service



Greg Bell, Director
Industrial Relations
American Postal Workers
Union, AL-CIO

Date 1/30/02

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

Modified Work Week (10/4) Guidelines (January 2002)

The following rules apply to full-time, part-time and transitional employees in the APWU bargaining unit.

1. Overtime

Participants will receive postal overtime pay for work performed only after 10 hours in a pay status on a regularly scheduled day, or after 40 hours in a pay status in a service week, and for the first 8 hours in a pay status on the first non-scheduled day worked in a service week. Non-scheduled day guarantees remain at 8 hours.

Excluding December, participants will receive penalty overtime for all hours:

- over 10 hours in a pay status on a regularly scheduled day;
- over 8 hours in a pay status on the first non-scheduled day worked in a service week;
- and/or in a pay status on the second and third non-scheduled day worked in a service week, if in a pay status for any part of each of the other 5 days in the same service week.

The 56 and 60-hour limitations still apply.

2. Sunday premium will be paid for all eligible straight time hours worked (i.e., 10 per workday) but shall be limited to 16 hours per week.
3. Leave will be charged up to 10 hours per day, therefore it will be necessary to use ten hours leave to cover a full day.
4. Court leave will be charged the same (i.e., up to 10 hours per day), however, the local parties have the option to determine if the employee's schedule may be changed back to 8/5 for those weeks during which court service is performed.

5. Military leave will be charged at 10 hours per day but may not exceed 120 hours per year. The local parties have the option to determine if the employee's schedule may be changed back to 8/5 for those weeks in which the employee will be on military leave for five or more days.
6. When appropriate, Administrative leave may be granted up to 10 hours per day.
7. Employees are currently provided 80 hours of holiday leave per year (10 holidays at 8 hours per holiday). To maintain this level of holiday leave while assigned to an alternate work schedule, the local parties must elect one of the following options prior to implementing alternate work schedules.

Participants will receive 80 hours of holiday leave per year regardless of which option is chosen.

Option 1

During the weeks in which a holiday or designated holiday falls, the employees revert back to an 8/5 schedule. Holiday leave and holiday worked premium policies remain the same as for the current 8/5 schedule.

Option 2

Washington's Birthday and Columbus Day are considered regular workdays and are not treated as holidays for purposes of scheduling or compensating employees in 10/4. In effect, these two holidays are spread out among the remaining 8 holidays.

Ten hours of holiday leave will be charged and holiday worked premium will be limited to 10 hours on each of the 8 holidays.

If a participant, in this option, enters or leaves the 10/4 work week during the calendar year he/she will use Annual Leave or LWOP, to the extent necessary, on the remaining holidays to ensure that the total holiday leave for the calendar year does not exceed 80 hours.

Payroll and budget systems only recognize holidays within certain weeks within certain pay periods. As such, it is necessary to establish designated holidays somewhat differently from current policy. When a holiday falls on an employee's non-scheduled day, the employee's first scheduled workday preceding the holiday becomes the employee's designated holiday. An 8/5 employee who has Monday as a non-scheduled would have either the preceding Saturday or Sunday as their designated holiday because one of those two days would have to be a regularly scheduled workday. Under 10/4, an employee may have Saturday, Sunday and Monday as their non-scheduled days, which would mean establishing the previous Friday as their designated holiday. This may fall outside of the week of the pay period in which the holiday has been provided for in the payroll and budget systems.

Accordingly, designated holidays for 10/4 employees with these scheduled days off (SDOs) should be established as follows:

SDOs	ACTUAL HOLIDAY	DESIGNATED HOLIDAY
1,2,3	Saturday Sunday Monday	Friday (prior) Tuesday Tuesday

The following schedule is to keep the employee's designated holiday as close to the actual holiday as possible:

2,3,4	Sunday Monday Tuesday	Saturday Saturday Wednesday
-------	-----------------------------	-----------------------------------

8. Employees assigned to a 10/4 schedule and who are scheduled for training programs of five or more days may be returned to an 8/5 schedule until the training is completed. For training of less than five days, employees will remain on a 10/4 schedule but will complete their 10-hour day as assigned by management. Such assignment should be as close to the employee's regular assignment as practicable.
9. Any and all compensation policies other than those set forth in 1 through 7 above, which are based on 8-hour days and/or 5-day weeks for non-10/4 non-participants, will be based on 10-hour days and/or 4-day weeks for participants.