

**Memorandum of Agreement
Between The
United States Postal Service
And The
American Postal Workers Union, AFL-CIO**

Re: Voluntary Early Retirement (VER) – IT/ASC Bargaining Unit

The United States Postal Service and the American Postal Workers Union, AFL-CIO, enter into this agreement in order to resolve disputes that have arisen with regard to the implementation of the parties' Memorandum of Understanding Re: Excessing as it relates to voluntary early retirement of employees covered by the USPS/APWU IT/ASC Agreement. As a full and final resolution of all issues related to these employees that may be encompassed by grievances numbered Q00C-4Q-C 03209254 and Q00C-4Q-C 04027313, and APWU v. USPS, Civil Action No. 1:03 CV 1908 (D. D.C.), the parties agree to the following:

1. Attachment A to this Memorandum is a list of employees covered by the IT/ASC Agreement provided by the APWU who have indicated that they wish to receive the opportunity for early retirement, but have not been offered that opportunity. The Postal Service has reviewed the positions held by these employees and the locations at which they are held and concluded that the operational requirements of the Postal Service can accommodate the early retirement of these employees.

2. The Postal Service shall, acting in good faith and with the intention that authority will be granted, promptly petition OPM for VER authority for eligible employees covered by the IT/ASC Agreement. The petition shall seek authority sufficient to offer VER to the number of employees listed on Attachment A. Upon receipt of authority from OPM, the Postal Service shall offer employees listed on Attachment A the opportunity to take VER during calendar year 2004. The Postal Service may schedule effective dates of retirement at any point during the year, after receiving authorization from OPM. However, if operational needs require and OPM authority permits, the effective dates of retirement for employees may be delayed past calendar year 2004, but not later than July 1, 2005.

3. The Postal Service will offer the opportunity for VER to employees covered by the IT/ASC Agreement who become eligible for VER during the period between November 1, 2003 through February 29, 2004, due to meeting the age and service eligibility requirements for VER, and the Postal Service will solicit those employees to determine which of them wish to be offered VER. The Postal Service shall offer all such eligible employees for whom the Postal Service has VER authority from OPM the opportunity to apply for early retirement during

calendar year 2004. The Postal Service may schedule effective dates of retirement for such employees consistent with the provisions in paragraph 2.

4. The parties understand and acknowledge that final decisions on employee eligibility for VER are within the responsibility of OPM and that all decisions and actions with regard to early retirement must be consistent with federal statutes and applicable OPM regulations. In no case shall this Memorandum be construed to obligate the Postal Service to take any action inconsistent with such laws and regulations.

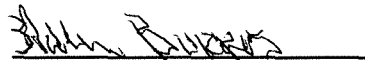
5. The parties acknowledge that they have not verified that the employees on Attachment A have met all of the eligibility requirements, such as those relating to age and service, to qualify them for a VER, nor has it been confirmed that all employees on Attachment A are in the IT/ASC bargaining unit. The parties acknowledge that failure to meet such legal requirements will result in such employees not receiving a VER.

6. The APWU agrees to withdraw any local grievances resolved by this settlement.

7. Should the APWU provide additional names for inclusion on Attachment A, they will be added to the list and offered VER on the same bases as the employees currently on the list, as long as those names are provided by the APWU to the Postal Service by January 9, 2004. The employees who are the beneficiaries of this settlement are those listed on Attachment A, those additional employees identified pursuant to paragraph 3 of this Memorandum, and those additional employees identified by the APWU whose names are provided to the Postal Service by January 9, 2004.



Anthony J. Vegliante
Vice President
Labor Relations
United States Postal Service



William Burrus
President
American Postal Workers Union,
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Dated: December 19, 2003