

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

Re: Voluntary Early Retirement (VER) – Operating Services

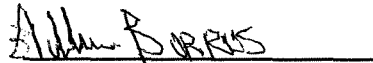
The United States Postal Service and the American Postal Workers Union, AFL-CIO, agree that the Postal Service shall, acting in good faith and with the intention that authority will be granted, promptly petition the Office of Personnel Management (OPM) for VER authority for eligible employees covered by the Operating Services Agreement. Upon receipt of authority from OPM, the Postal Service shall identify employees covered by the Operating Services Agreement who become eligible for VER through February 29, 2004, in terms of meeting the age and service eligibility requirements for VER. 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 at any point during the year, after receiving authorization from OPM.

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:

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



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



William Burrus
President
American Postal Workers Union,
AFL-CIO

Dated: December 19, 2003