

Mr. Greg Bell
Director, Industrial Relations
American Postal Workers Union,
AFL-CIO
1300 L Street, N.W.
Washington, DC 20005-4128

RE: Q94C-4Q-C 97015825
Class Action
Washington, DC 20260-4100

Dear Greg:

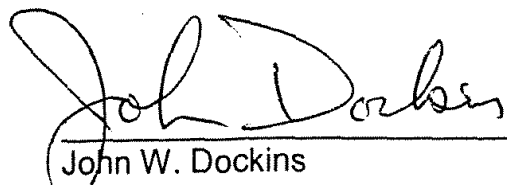
On several occasions, we met to discuss the above-captioned case which is currently pending national level arbitration.

The issue in this case involves severance pay entitlement when an eligible employee elects early retirement in accordance with the terms of Article 6.B.4 of the National Agreement.

After discussing this matter, the parties agreed to the following mutual understanding and settlement of the case:

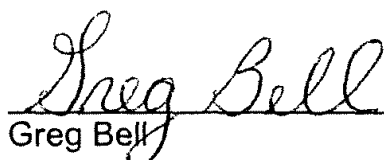
Pursuant to Article 6, Section B.4 of the National Agreement, before implementation of reassignment under Article 6 or, if necessary, layoff and reduction in force of excess employees within an installation, employees in the same craft within the installation who elect to terminate their employment are entitled to receive a lump sum severance payment in the amount provided by Part 435 of the Employee and Labor Relations Manual. Additionally, if eligible, such employees will be given early retirement benefits in accordance with Section 8336(d)(2) of Title 5, United States Code.

Please sign and return the decision as your acknowledgement of this agreement to settle this case and to remove it from the pending national arbitration listing.



John W. Dockins
Manager, Contract Administration
United States Postal Service

6-6-07



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