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N.A.L.C. WASHINGTON, D.C.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO
AND THE
NATIONAL RURAL LETTER CARRIERS' ASSOCIATION**

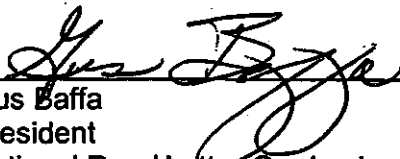
Re: City v. Rural Delivery

The parties recognize that there are a number of disputes pending at various steps of the grievance procedures regarding city v. rural delivery. Recently, the parties resolved case S1N-3P-C 41285 at the national level. That case dealt with the conversion of deliveries previously served by city letter carriers to rural delivery.


In an effort to resolve these and other work jurisdiction disputes between city and rural delivery, the parties have agreed to establish guidelines based on agreed upon principles. The parties also agree to establish a process to apply these guidelines to resolve the backlog of city/rural grievances and to significantly reduce, if not eliminate, future jurisdictional disputes regarding city/rural delivery. The national parties will convene within (60) days to establish guidelines and a process to facilitate resolution of outstanding grievances. A report will be issued not later than six months from the date this memorandum is signed.

The task force will be comprised of two members from the NALC, two members from the NRLCA, and two members from the Postal Service. The Task Force will report to the NALC President, NRLCA President and the Postal Service Vice President, Labor Relations, or designees.

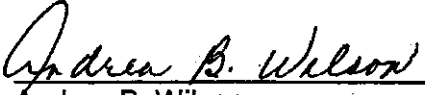
This agreement is made without precedent or prejudice to any parties' position, and may not be cited by any party in any forum, except for the enforcement of this memorandum.



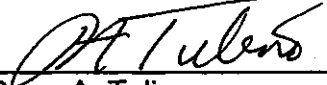
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William H. Young
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5/9/03

Date