

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

Re: Interim Agreement - Minor Route Adjustment Process

The parties recognize that the continuing change in mail volume is prompting increased use of the minor route adjustment process under Section 141 of Handbook M-39. In order to minimize disputes, the parties mutually agree to the following during the term of this memorandum:

The local parties are not limited to Section 141 of Handbook M-39 in making minor route adjustments if they mutually agree to a minor route adjustment method that meets local needs.

Absent an agreement at the local level regarding minor route adjustment methods, the parties agree that the following instructions will be used when making minor route adjustments to full-time routes:

A. Determining the Evaluated Time:

1. The new evaluated time will be established by the following method: a) determine the delivery unit's average volume and work hours for the previous 13 full accounting periods, b) select the accounting period that is most representative of the unit's average volume and work hours, c) use the forms and records listed in Section 141.18 of Handbook M-39 and/or electronic records that provide equivalent information from the selected accounting period to determine the evaluation of the routes.
2. If the route was adjusted or the carrier was awarded/assigned to the route after the selected accounting period, the unit's most representative accounting period after the adjustment or award/assignment will be used for that route.
3. When evaluating the route, consideration must be given to any significant increase or decrease in delivery points after the selected accounting period.

B. Determining Territorial Adjustments:

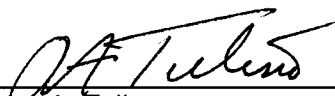
1. When the previous count and inspection data is reasonably current and the same carrier is serving the route, territorial adjustments can only be made using the formula in Section 141.19 of Handbook M-39.
2. If the previous count and inspection data is reasonably current but the same carrier is not serving the route being considered for adjustment, territorial adjustments can only be made using the standard office time and the standard line allowances from the previous PS Form 1840 to determine the office time per possible delivery factor in Section 141.19.a, and a current PS Form 3999 for the regular carrier to determine the street time per possible delivery factor in Section 141.19.b.
3. If no reasonably current count and inspection data exists, territorial adjustments can only be made using the current evaluated office time (derived from item A above) and the standard line allowances to determine the office time per possible delivery factor in

Section 141.19.a, and a current PS Form 3999 for the regular carrier to determine the street time per possible delivery factor in Section 141.19.b.

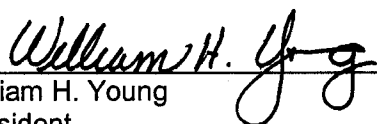
C. General Requirements and Principles

- Whether inspection data is "reasonably current" must be determined on a route-by-route basis.
- Adjustments to routes should be made as outlined in 243.2 of Handbook M-39.
- It is agreed that if a city carrier, during adjustment consultation, disputes the route's evaluation, the carrier will be allowed to review and, if requested, provided a copy of the documentation used as a basis of the evaluation. If, after reviewing the documentation, the city carrier maintains the documentation and/or evaluation is inconsistent, incomplete or otherwise inaccurate, management will investigate the city carrier's concerns, make any warranted corrections, and discuss the results with the carrier prior to implementing the adjustment.
- Within 60 days of the adjustment, the route will be analyzed and, if necessary, adjusted pursuant to Section 243.6 to insure that the adjustment has resulted in a route evaluation as near to eight hours daily as possible.
- Any questions concerning the application of this memorandum are to be forwarded to the parties' national level representatives through their respective NALC National Business Agent or Area Manager, Labor Relations.
- This agreement applies solely to the minor route adjustment process and does not impact or relate to special route inspections pursuant to Section 271 of Handbook M-39 or formal count and inspections pursuant to Chapter 2 of Handbook M-39.

The terms of this memorandum are applicable from the date of this memorandum through August 30, 2003, unless mutually extended by the parties. This agreement is made without precedent or prejudice to either party's position outside the effective dates of this memorandum regarding the minor route adjustment process, and may not be cited by either party in any forum, except for the enforcement of its terms.



 Doug A. Tulino
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 U.S. Postal Service



 William H. Young
 President
 National Association of Letter
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Date 3-28-03