

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

**Re: Assignment of City Delivery**

The parties agree to the following regarding assignment of city delivery.

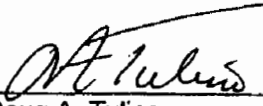
- The Memorandum of Understanding Re: *Subcontracting*, dated September 11, 2007, continues in full force and effect.
- The six-month moratorium referenced in the September 11, 2007 Memorandum of Understanding Re: *Article 32 Committee*, is continued for the remainder of the term of the 2006 National Agreement.
- In city only delivery offices with highway contract delivery, all new growth will be assigned to the city carrier craft, except for in-growth on existing highway contract delivery routes.
- Disputes over whether an existing contract route is CDS or highway contract will be resolved by the Article 32 Committee, established pursuant to the September 11, 2007 Memorandum of Understanding, Re: *Article 32 Committee*.

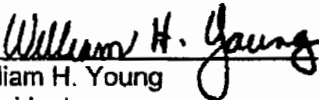
In offices with both city and rural delivery, new deliveries will be assigned in keeping with the following:

- Growth will be assigned in accordance with boundaries that have been established by agreement of the Postal Service, National Association of Letter Carriers, and National Rural Letter Carriers' Association.
- Absent such agreement, the city letter carrier craft will be assigned all new growth (i.e., new deliveries that are not in-growth on an existing route assigned to another form of delivery), subject to the following. The Postal Service may assign new growth to another form of delivery only if assigning the work to the city letter carrier craft would result in inefficiencies. In such case, the appropriate NALC National Business Agent must be provided notice. If the union disagrees with such assignment, the National Business Agent may directly refer the matter to a national-level task force. This task force will consist of two members appointed by the Postal Service Vice President, Labor Relations, and two members appointed by the President of the NALC. The task force will promptly determine whether assignment of such deliveries to the city letter carrier craft will result in inefficiencies.

The parties recognize and agree that this agreement does not alter or amend the terms of the September 11, 2007, Memorandum of Understanding Re: *Subcontracting MOU Issues* and that the provisions of that MOU apply to this agreement. As such, the duration of this agreement is limited to the remainder of the contract term in accordance with the provisions of that MOU.

However, the duration of this agreement is also subject to the parties' implementation of the October 22, 2008, Memorandum of Understanding, Re: *Interim Alternate Route Adjustment Process*. Therefore, if the Postal Service continues to experience mail volume declines so as to invoke the fifth paragraph of that MOU, and the parties are unable to agree to a new process or use again the process described in that MOU by June 30, 2009 or June 30, 2010, this agreement shall terminate and be of no effect.

  
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Doug A. Tulino  
Vice President  
Labor Relations  
U.S. Postal Service

  
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William H. Young  
President  
National Association of  
Letter Carriers, (AFL-CIO)

October 22, 2008