

Mr. Michael Foster
Director, Motor Vehicle Service Division
American Postal Workers Union, AFL-CIO
1300 L Street, NW
Washington, DC 20005-4128

Re: Q10V-4Q-C 16534585/HQTV20160326
Class Action
Washington DC 20260-4100

Dear Mike:

The parties met at Step 4 of the grievance-arbitration process to discuss the above referenced grievance. The dispute was initiated at Step 4 by the American Postal Workers Union (APWU). Time limits were extended by mutual consent.

The issue presented by the APWU is whether it was a violation of Article 32 of the National Agreement, the Contracting and Insourcing of Contracted Services Memorandum of Understanding, and the PO 701 when the Postal Service added the entire cost of vehicles each year to the Postal Vehicle Service (PVS) cost in their cost comparison?

The parties agree to resolve the dispute in accordance with the following:

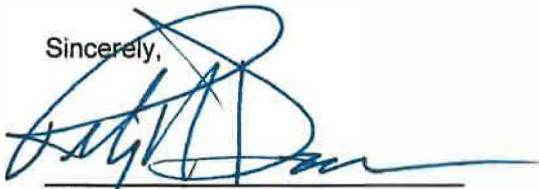
The purchase price of a vehicle is a line item on a cost comparison. The cost of the vehicle should depreciate over the anticipated service life of the vehicle, which is listed in Exhibit 221.211 of Handbook PO-701.

Exhibit 221.211 of Handbook PO-701 lists the service life of Tractors, Spotters, 5-ton, 7-ton, 9-ton and 11-ton as eight (8) years, and trailers as twelve (12) years.

The vehicle costs should be spread over the service life in the Article 32.2 cost comparisons as 1/8th the cost of the trucks and 1/12th the costs of the trailers until the vehicle has been depreciated. If the vehicles are still in service at the end of the service life, these costs will no longer be included in the Article 32.2 cost comparisons.

The parties agree the Union will be provided the current purchase price of all vehicle(s) used in the Article 32.2 cost comparisons within 30 days of the effective date of this agreement.

Sincerely,



Rickey R. Dean
Manager, Labor Relations
Contract Administration (APWU)
U.S. Postal Service



Michael O. Foster
Director, Motor Vehicle Service
American Postal Workers Union,
AFL-CIO

Date 11/23/2020

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