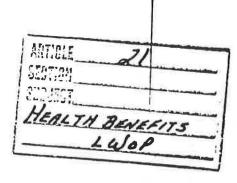


UNITED STATES POSTAL SERVICE 475 L'Enfant Plaza, SW Washington, DC 20260



AUG_6_1985

Mr. James Connors
Assistant Director
Clerk Craft Division
American Postal Workers
Union, AFL-CIO
817 14th Street, N.W.
Washington, D.C. 20005-3399

Re: K. Williams
Brooklyn, NY 11201
H1C-1M-C 42263

Dear Mr. Connors:

On July 17, 1985, we met to discuss the above-captioned grievance at the fourth step of our contractual grievance procedure.

The issue in this grievance is whether the grievant was properly required to pay the employee share of her health benefits upon return to a pay status.

After reviewing this matter, we mutually agreed that no national interpretive issue is fairly presented in this case. This is a local dispute suitable for regional determination by application of Part 525.2 of the ELM and Postal Bulletin 21365 (dated August 19, 1982) to the specific Fact circumstances. The issue to be decided is whether proper procedures were followed to continue the grievant's enrollment in the health benefits plan while she was in a nonpay status.

Accordingly, we agreed to remand this case to the parties at Step 3 for further processing including arbitration, if necessary.

Please sign and return the enclosed copy of this letter as your acknowledgment of agreement to remand this case.

Sincerely,

Muriel Aikens

Labor Relations Department

James Connors

Assistant Director

Clerk Craft Division

American Postal Workers

Union, AFL-CIO