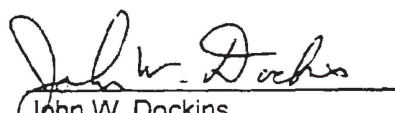


MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE AND
THE AMERICAN POSTAL WORKERS UNION, AFL-CIO, AND THE NATIONAL
POSTAL MAIL HANDLERS UNION, AFL-CIO

Re: SELECTION PROCEDURES FOR APPOINTMENT OF A NATIONAL
ARBITRATOR FOR RI-399 JURISDICTIONAL DISPUTES

The parties hereby agree to the following procedures to be used on a one-time basis to select a National level arbitrator for the RI-399 jurisdictional dispute national arbitration panel:

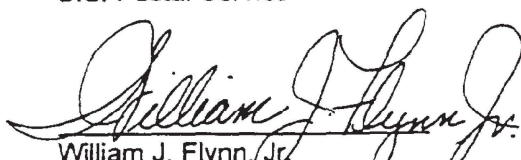
1. A pool of 11 arbitrators shall be created. The parties shall jointly submit to the Federal Mediation and Conciliation Service (FMCS) a request for names of 11 arbitrators, with each arbitrator to meet the criteria set forth in the attached letter. Any cost for this service shall be split three (3) ways between the parties.
2. There shall be three (3) rounds of alternate strikes of arbitrators by the parties. Each party shall have one strike per round with the exception of the last round during which the Postal Service shall have two (2) strikes.
3. The order of strikes within each round shall be determined by the luck of the draw.
4. The last remaining arbitrator shall be appointed to the national RI-399 jurisdictional arbitration panel for a term of two (2) years.
5. This process will be completed within six (6) weeks of the receipt of the names of the arbitrators from FMCS.



John W. Dockins
Labor Relations Specialist
RI-399 Coordinator
U.S. Postal Service



Robert Tunstall
Director, Clerk Craft
American Postal Workers
Union, AFL-CIO



William J. Flynn, Jr.
Manager, Contract Administration
National Postal Mail Handlers Union
AFL-CIO

6-3-96
Date