

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

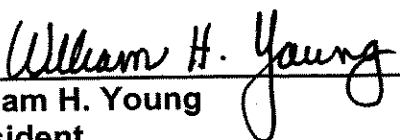
**Re: Transitional Employees (Flat Sequencing System)**

Upon ratification of the Agreement, the Employer shall have authority to hire up to 8,000 transitional employees (TEs). The Employer may maintain this level of transitional employment for the duration of all phases of Flat Sequencing System (FSS) implementation. TEs hired under this Memorandum will be so designated on their PS Form 50.

In any district, the number of these TEs shall not exceed 8% of the authorized city carrier complement for that district. The parties understand that due to uncertainties with the implementation of FSS, there may be circumstances that require some modification to the above-referenced cap. It is agreed that any exception to this cap can only be made by the Vice President, Labor Relations and the President, National Association of Letter Carriers. Previously established prerequisites and criteria for the hiring and utilization of transitional employees, such as those found in Article 7.1.C.1 and Appendix B of the 2001-2006 National Agreement, are not applicable.

Provisions establishing the wages, benefits and employment term for TEs, such as those found in Article 7.1.B.3 and 7.1.B.4, Article 9.7, and the Memorandum Re: Transitional Employees – Additional Provisions shall apply. The existing MOU Re: Transitional Employee Employment Opportunities shall be applicable to these employees.

  
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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

Date: September 11, 2007