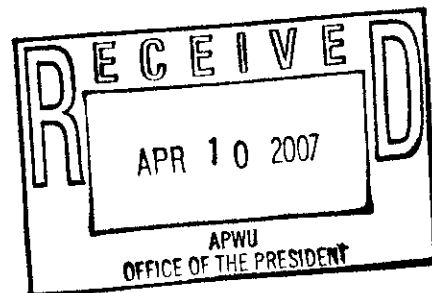


DOUG A. TULINO
VICE PRESIDENT, LABOR RELATIONS



January 24, 2007

Mr. William Burrus
President
American Postal Workers Union,
AFL-CIO
1300 L Street, N.W.
Washington, DC 20005-4128

Dear Bill:

As discussed, it is agreed that when previously excessed employees return to their original craft pursuant to Article 12.5.C.5.a.(5) or 12.5.C.5.b.(6) after February 16, 2008 (date of upgrades), such employees will be placed into the job position and level that is equivalent to the job from which they were excessed. For example, a level 5 clerk that was excessed prior to the upgrades would return to the clerk craft as a level 6 clerk after February 16, 2008.

Sincerely,

Doug A. Tulino