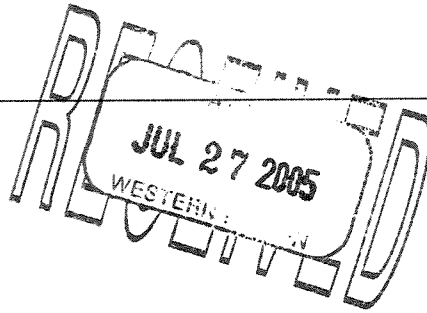


LABOR RELATIONS
PACIFIC AREA OFFICE



July 21, 2005

Omar Gonzales
APWU Western Regional Coordinator
1799 Old Bayshore Ste 240
Burlingame, CA 94010-1312

Dear Omar:

The Tucson installation will be receiving PARS. The deployment completion date is currently scheduled for October 16, 2005. As you may know, PARS allows for the processing of the letter mail forwards on automation at the plant and will eliminate the need for the current CFS unit.

The CFS unit is currently staffed with 19 career full-time employees, three rehabs, six Transitional Employees and one casual. Once PARS is on line and fully operational, the 19 career employees will be excessed from the CFS section and placed into withheld assignments in other sections in the plant. The six TE's and the one casual will either be repositioned or separated. There will be no excessing from the craft or installation.

Arizona's current withholding authorization will be amended to reflect approval to withhold up to 19 full-time residual assignments for placement of the impacted employees through January 2006.

Upon receipt of their copy of this letter, management will meet with local union officials to notify them of the impact and to discuss timelines and employee placement issues.

If you have any questions, you may contact Linda Shumate at (626) 855-6446.

A handwritten signature in black ink, appearing to read "Gary L. Connely".

Gary L. Connely
Manager, Labor Relations

Attachments

Cc: Gerald S. Sanchez
R. Ordonez
District Manager, Arizona
Senior Plant Manager, Arizona
Manager, Labor Relations – Arizona
Linda Shumate

Shumate, Linda G - City of Industry, CA

From: Wiley, Lerene A - Phoenix, AZ
Sent: Tuesday, July 19, 2005 3:45 PM
To: Shumate, Linda G - City of Industry, CA
Cc: Wiley, Lerene A - Phoenix, AZ
Subject: FW: CFS Complement

Linda- FYI. Here is info regarding Tucson CFS. -Lerene

-----Original Message-----

From: Lehner, Greg M - Tucson, AZ
Sent: Tuesday, July 19, 2005 12:58 PM
To: Wiley, Lerene A - Phoenix, AZ
Cc: LaFreniere, Michele M - Tucson, AZ
Subject: CFS Complement

Lerene,

Here is the current CFS complement. We will be adding more TEs over the course of the next week. There are 15 fully productive clerks and 3 limited duty/former rehab employees. The CFS manager is scheduled to retirement on 12/1/05 and is taking leave until then. That leaves the CFS supervisor as the last EAS assigned there. That totals 20 career employees.

Greg

-----Original Message-----

From: Rubasch, William G - Tucson, AZ
Sent: Tuesday, July 19, 2005 12:47 PM
To: Lehner, Greg M - Tucson, AZ
Subject: RE: Complement

INA WOLLNER	AL PENDING RETIREMENT
LYLE WOOD	SUPV CFS
CAROLYN ALVAREZ	CAREER
JO CASACCHIA	CAREER
GAIEM CRAFT	CAREER
EMMA GONG	CAREER
JON LOWE	CAREER
FRAN LOYASH	CAREER
ERLINDA MALDONADO	CAREER
ANGELINA MORAN	CAREER
TERRY NUNEZ-VEGA	CAREER
GARY PATSCH	CAREER
JEFFERY SMITH	CAREER
JOYCE SOLOMON	CAREER
LORINA VALDEZ	CAREER
MARTHA VEGA	CAREER
TODD VOCI	CAREER

7/20/2005

KAY FLICK	REHAB
MIKI NOLF	REHAB
SANDRA MEKULY	REHAB
KIM MULLIGAN	TE
PATRICIA TURTURO	TE
JASON ABBOTT	TE
ANGELICA PORRAS	TE
LORINDA COX	TE
RAEANNE SIMONS	TE
PRISCILLA LORD	CASUAL

Mech / Tech Site Impact Report

Office
Tucson Bid Group

PayLocation
ALL

Craft
Clerk

LDC
ALL

Function
ALL

Site Impact Cover Page Mech and Tech

Employee Count and hour data as of date periods 6/26/2004 thru 6/24/2005

PARS

PARS replaces the need to process letter forwards on mechanization and manually. Once PARS is on line, letter forwards are processed on automated equipment at the plant.

Mech / Tech Site Impact Report

Office
Tucson Bid Group

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Craft
Clerk

LDC
ALL

Function
ALL

Overtime

a. Current overtime rate per Accounting Period *:	8.6
b. Current overtime hours per Accounting Period *:	2358
c. Planned reduction in overtime hours per Accounting Period *:	27
d. Proposed overtime hours after installation:	2331
e. Proposed overtime rate per Accounting Period * :	8.5

Casuals

a. Current number of Casuals on rolls:	15
b. Average hours worked by Casuals per Accounting Period *:	80
c. Planned reduction in Casual hours per Accounting Period *:	0
d. Number of Casuals impacted by reduced hours:	0
e. Number of Casual positions to be eliminated:	1
f. Number of Casual positions remaining:	14
g. Justify the need for these remaining Casuals:	

PTF

a. Current number of PTFs on rolls:	4
b. Average hours worked by PTFs per Accounting Period *:	75
c. Planned reduction in PTF hours per Accounting Period *:	0
d. Number of individual PTFs impacted by reduced hours:	0

Mech / Tech Site Impact Report

Office

Tucson Bid Group

PayLocation

ALL

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ALL

Function
ALL

Regular

- | | |
|--|----|
| a. How many full-time positions are to be abolished / reverted: | 19 |
| b. Will there be any employee excess: | No |
| c. Of employees to be excess out of their sections, remaining within their installation, how many will be: | |
| Excess from manual operations: | 16 |
| Excess into manual operations: | 0 |
| Excess into machine operations: | 16 |
| d. Will excess out of installation be required: | No |
| e. How many positions out of installation (Employees): | 0 |
| j. List the anticipated post offices and vacancies to which assignment will be made: Not applicable since all excessing will be from sections. | |
| g. Provide a narrative explaining the need for excessing: PARS eliminates the need for CFS clerks to process the letter forwards. This mail will be finalized on line on automation. | |
| h. Provide a narrative of your current and future plan and any adjustments made as a result of deployment : Deployment of PARS is scheduled for October 16, 2005. Once PARS is on line, the 19 career bid employees in the unit will be excessed from the section and placed into withheld assignments. The 3 rehabs currently working in the unit will receive new job offers and the one casual and the six TE's will either be repositioned or separated. | |