



April 12, 2006

VIA FACSIMILE AND FIRST CLASS MAIL

Randi L. Mendelsohn
Assistant Director, HR Strategy &
Labor/Employee Relations
Federal Deposit Insurance Corporation
Washington, D.C. 20429

RE: National Grievance — Unilateral Implementation of Change in
DSC Travel Policy

Dear Ms. Mendelsohn:

In accordance with Article 47, Section 9 of the Nationwide Agreement, the National Treasury Employees Union (NTEU) hereby files a national grievance regarding the Federal Deposit Insurance Corporation's (FDIC) actions in unilaterally implementing a change in travel policy affecting employees in the Division of Supervision and Compliance (DSC).

Subsequent to the negotiation of an agreement concerning implementation of compensatory time for travel, DSC has unilaterally terminated the policy established under the "Shumway" rule, which limited examiner travel on his/her own time by providing that an employee would leave his/her residence no sooner than one hour prior to his/her start time on the first day of an examination and would return no later than one hour after his/her ending time on the last day of the examination. This unilateral change in policy violates Section 7116(a)(1) and (5) of the Federal Labor-Management Relations Act, as well as Article 50 of the Nationwide Agreement.

The negotiated agreement on compensatory time, including Chapter 7 of Circular 2220.1 and the FDIC-NTEU side letter, did not provide for the termination of this policy. As such, the new policy violates the terms of the FDIC Circular, the negotiated side letter, and other negotiated agreements which provided for continuation of the policy established under the "Shumway" rule.

As a remedy for these violations, NTEU requests the following:

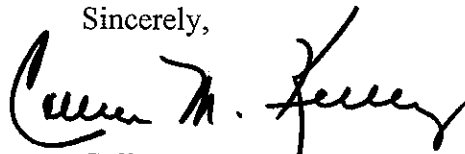
1. that the FDIC immediately halt implementation of this directive and restore the *status quo ante*;
2. that employees receive administrative leave for any travel time taken in excess of what would have been required had the agency not unilaterally changed the policy;

Randi L. Mendelsohn
April 12, 2006
Page Two

3. that any other actions taken as a result of the agency's unilateral implementation of the changes in working conditions be cancelled;
4. that the FDIC post notices in every office, or by global e-mail to all employees, indicating that it violated the statute in implementing this directive prior to the completion of bargaining, and that it will henceforth meet its contractual and statutory obligations to complete bargaining and impasse resolution on this directive prior to implementation; and
5. any other appropriate remedies that may be legally ordered by the arbitrator.

Please contact Stephen Keller, Senior Counsel for Compensation Negotiations, at (202) 572-5500, ext. 7026, at your earliest convenience to schedule a meeting to discuss this grievance.

Sincerely,

A handwritten signature in black ink that reads "Colleen M. Kelley". The signature is written in a cursive style with a large initial "C" and a long, sweeping underline.

Colleen M. Kelley
National President