

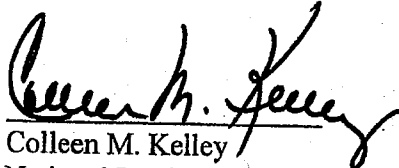
**MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS)
AND
THE NATIONAL TREASURY EMPLOYEES UNION (NTEU)
REGARDING
THE PERFORMANCE MANAGEMENT APPRAISAL
PROGRAM (PMAP)**

The parties agree to the following:

1. The appraisal cycle will be changed from fiscal year to calendar year.
2. The DHHS will implement a 4-tier structure as outlined in the January 2006 PMAP Policy document for all bargaining unit employees represented by NTEU effective upon the signing of this MOU, with the exception of FDA. For FDA, the new 4-tier structure will be implemented after the completion of bargaining the consolidated contract, but no later than November 1, 2006.
3. The DHHS will implement a 90-day minimum appraisal period effective January 1, 2007. It is also agreed that the minimum 90-day appraisal period will apply to all DHHS bargaining unit employees represented by NTEU.
4. The Employer agrees to furnish to NTEU National an electronic data file, to the extent that it is available, containing each bargaining unit employee represented by NTEU subject to the new PMAP: an employee's summary rating score, location, grade/series, any RNOGAD data, and any awards/QSIs. The information will be furnished in the following manner:
 - a. For employees who have received a rating of record under the new system for the calendar year ending December 31, 2006, the data will be provided no later than March 31, 2007.
 - b. For all those employees who have not been rated by December 31, 2006, but will receive a rating for the calendar year ending December 31, 2007, information will be provided no later than March 31, 2008.
 - c. The Employer agrees to provide this data for all employees represented by NTEU on an annual basis thereafter to the extent that it is available and requested by NTEU.
5. The Employer further agrees to furnish the data outlined in Paragraph 4 above for the 2005 and 2006 appraisal years (to the extent that it is available) for all bargaining unit employees represented by NTEU.
6. The remainder of the provisions and all attendant impact and implementation issues will be bargained in accordance with law, rule, and regulation.

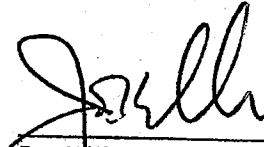
7. This MOU will become effective upon the signature by both parties. The MOU will remain in effect until the parties renegotiate a new CBA or on the effective date of its successor article, whichever comes first. The Parties recognize that this MOU will remain in effect during the interim between the expiration of the current CBAs and the effective date of any successor agreement.

For the Union



Colleen M. Kelley
National President
NTEU

For the Agency



Joe Ellis
Assistant Secretary for Administration and
Management, DHHS