

LETTER OF AGREEMENT
between
FEDERAL EXPRESS CORPORATION
and
THE FEDERAL EXPRESS PILOTS
in the service of
FEDERAL EXPRESS CORPORATION
as represented by
THE FEDEX PILOTS ASSOCIATION

Professional Standards Letter of Agreement

This Letter of Agreement is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between **FEDERAL EXPRESS CORPORATION** (hereinafter referred to as the "Company") and by the pilots in the service of Federal Express Corporation, as represented by the **FEDEX PILOTS ASSOCIATION** (hereinafter referred to as the "Association").

WHEREAS, the Association and the Company hereby agree to the following procedure in recognition and acknowledgment of their mutual and separate responsibilities to promote and insure the highest standards of professionalism and safety among FedEx pilots.

NOW, THEREFORE, the Company and the Association agree as follows:

- A. The goal of the Professional Standards Committee is to help prevent, mitigate or resolve conflicts involving a pilot's professional interaction with other pilots or other Federal Express employees that may reflect unfavorably upon the profession or the Company.
- B. Both the Association and Company acknowledge and agree that in order to be effective, the Professional Standards Committee proceedings, conversations with pilots regarding a Professional Standards issue and attendant discussions with management shall remain confidential. The above proceedings, conversations and attendant discussions shall not be used by either party in any disciplinary proceeding or System Board of Adjustment. Neither the Company nor the Association shall call as a witness in a disciplinary proceeding either a member of management or a Professional Standards Committee member for the purpose of having that individual testify about the discussions or efforts made with respect to a pilot(s) involvement with the Professional Standards Committee. Neither the Company nor the Association shall refer to the Professional Standards proceedings, resolutions, or this LOA in any System Board of Adjustment, unrelated to an alleged breach of this LOA.

- C. Should a professional standards problem come to the attention of the Company, it may, at its sole discretion, refer such problem to the Professional Standards Committee. Whenever the Company refers a dispute to the Professional Standards Committee, the Committee shall be given a mutually agreeable length of time, or in absence of a stated time, then 60 days, during which to attempt prevention, mitigation or resolution of the problem. During such period the Company agrees to hold in abeyance any action (disciplinary and non-disciplinary) it may have contemplated taking against the pilot based on the issue which led to the referral unless further information becomes known which alters the facts or circumstances as understood by the Company at the time it made its referral.


At or before the end of the designated appropriate period, or 60 days in the absence of a designation, the Professional Standards Committee shall make a verbal report to the appropriate flight management official (an appropriate flight management official shall either be the V.P. of Flight Operations, the System Chief Pilot or Regional System Chief Pilot) who referred the pilot.

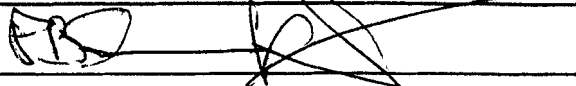
If the Company commences or recommences the disciplinary action taken against the pilot, the delay caused by the 60-day period (or other period) shall not be raised by the Association as a defense nor shall the Company or Association assert any failure of the Professional Standards Committee to arrive at a successful resolution as supporting its respective disciplinary position. Either side may submit to the arbitrator (and no objection shall be made by the opposite party) that the delay in the disciplinary process was mutually agreeable to both sides and should not be construed by the arbitrator either positively or negatively in his/her deliberations.

- D. When a professional standards problem is brought to the attention of the Association, the Professional Standards Committee may request assistance of the appropriate flight management official in order to encourage the cooperation of other employees in the Company to work with the Committee in an attempt to reach a amicable resolution to the problem.
- E. The existence of this Letter of Agreement and the procedures established herein shall in no way alter or diminish the rights of any pilot, the Association, or the Company, under any agreement entered into between the Association and the Company. This LOA shall not diminish the right of any party to proceed as provided in Sections 19, 20 and 21 of the Agreement.
- F. This Letter of Agreement shall become effective on its date of execution by both parties and shall remain in full force and effect concurrent with the basic Agreement or until amended or revoked by written agreement of the Company and Association or by operation of the Railway Labor Act, as amended.

IN WITNESS WHEREOF, the parties have signed this Agreement this 16th day of October, 2000.

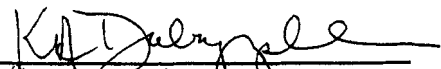
FOR FEDERAL EXPRESS CORPORATION:






Don Malinich

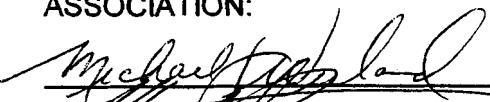
WITNESS:

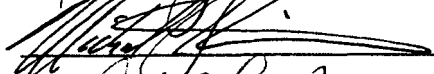




Kelly A. Rasmussen

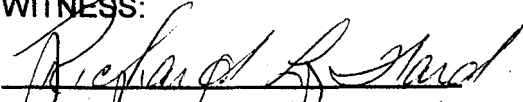
FOR THE FEDEX PILOTS ASSOCIATION:

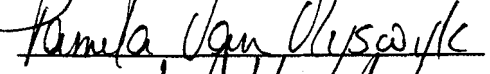




Michael J. ...

WITNESS:





Richard L. ...
