LETTER OF AGREEMENT

between

FEDERAL EXPRESS CORPORATION

and

THE AIR LINE PILOTS

in the service of

FEDERAL EXPRESS CORPORATION

as represented by

THE AIR LINE PILOTS ASSOCIATION

SPECIAL PROVISIONS RELATED TO ANCHORAGE DOMICILE MOVES FOR PILOTS

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 and the pilots in the service of FEDERAL EXPRESS CORPORATION, (hereinafter referred to as "the Company") as represented by the AIR LINE PILOTS ASSOCIATION (hereinafter referred to as "the Association" or "ALPA").

The parties believe it is in their mutual best interests to allow an eligible pilot the opportunity to receive a relocation package to ANC in conjunction with bidding and subsequently relocating to the Anchorage domicile. Upon being awarded a vacancy in Anchorage, and subject to the reimbursement schedule provided in Section 6.B.9, those same pilots shall be allowed to relocate from and to the United States mainland. The relocation benefits provided under this side letter vary depending on how long the pilot remains in Anchorage. In order to enjoy the full array of benefits under this side letter, a pilot (and family, where applicable as provided by Section 6.F.) must live in Anchorage and be domiciled there after activation for 36 months and must subsequently be awarded a bid to another Federal Express pilot domicile/FDA. The cost of a relocation back to the United States mainland shall be limited to the cost of the actual move or the cost of a move to Memphis, Tennessee, whichever is less. Unless the returning pilot is otherwise eligible for a different relocation package, the terms and conditions of the return relocation package shall be the same as the terms and conditions of his move to Anchorage as outlined below. Pilots assigned to FDAs who are not otherwise eligible for a fully paid return relocation package shall not be eligible for a relocation package to Anchorage under this Letter of Agreement but may become eligible for a “return” relocation package under this Letter of Agreement provided the pilot resides in ANC and has otherwise spent three years from activation in ANC. In no event shall any pilot covered by this agreement be entitled to multiple relocation packages from or to ANC as a result of this side-letter.
NOW, THEREFORE, it is mutually agreed as follows:

A. Anchorage Bid Awards

An eligible pilot from another domicile/FDA who bids, is awarded and successfully completes training, (if any is required as a result of the bid award) shall be provided a #2 relocation package provided the pilot is not otherwise precluded, restricted or limited by the collective bargaining agreement or this Letter of Agreement (subject to the already existing exclusions and limitations contained in the Agreement). A pilot who receives a relocation package must complete his relocation to ANC within 18 months, maintain residency in ANC for him (and his family as appropriate) for at least 18 months after completion of the relocation and be activated for 3 years in the ANC domicile. If the bid award/assignment is his first assignment as a pilot at Federal Express and the pilot relocates to ANC, then the pilot shall be eligible for this move package upon activation in his crew position.

B. No Relocation Allowance or Crash Pad Move Available

An eligible pilot who is relocating to ANC who is not precluded, restricted or limited under this Letter of Agreement and would not otherwise be entitled to a separate relocation package shall be entitled to a #2 relocation package but shall not be entitled to a Relocation Allowance as described under Section 6.C.2 or be entitled to a crash pad move as provided by Section 6.A.9 and Section 6.D.2 and D.3.

C. One Airline Ticket Housing Search for Spouse

The spouse of a eligible pilot who is relocating to ANC shall be entitled to one commercial round trip ticket for purposes of conducting a housing search in the Anchorage area. No such ticket shall be provided with the return move. The pilot/spouse shall coordinate with the Company’s Relocation Department the purchase of the housing search trip airline ticket on a business fare basis.

D. Leaving the Anchorage Domicile- “Return Moves” for those already in the ANC domicile and residing there

A pilot (and family, as applicable) who has previously relocated at his own expense to the ANC domicile as a result of his current crew position and who would not otherwise be entitled to a relocation move package from ANC to another Federal Express domicile/FDA shall be entitled to a return move relocation consistent with the relocation package described above provided the return relocation is the result of a bid award (or incident to the pilot’s retirement) and further provided the pilot has otherwise spent three years from activation in the ANC domicile and at least 18 months permanently relocated in the ANC domicile. Those pilots who relocated to ANC and are to be provided a move package back to the U.S. via the Interoffice Memorandum dated May 6, 1992, from Clive Seal addressed to All Flight Crewmembers as included in the Letter of Agreement titled “Anchorage and Subic Return Moves” executed as part of the existing collective bargaining agreement shall continue to be governed by that arrangement.

E. Duration and Effect on Other Agreements

This Letter of Agreement is effective on the date signed and shall remain in full force and effect concurrent with the basic Agreement.
IN WITNESS WHEREOF, the company and the Association have executed this Letter of Agreement this 30th day of March, 2006.

FOR THE COMPANY

Donald W. Mainiak
Vice-President, Labor Relations

Captain Paul E. Cassel
Vice-President, Flight Operations

WITNESS:

John D. Maxwel
Managing Director, Labor Relations Law

Captain John T. Hunt
Managing Director, Flight Operations Contract Administration

A. Alex Antonian
Sr. Labor Relations Advisor

FOR THE ASSOCIATION

Captain Duane E. Woerth
President

Captain David Webb
Chairman, FedEx MEC

WITNESS:

Captain Robert Chimenti
Chairman, MEC Negotiating Committee

Captain John Gustafson
Vice Chair, MEC Negotiating Committee

Captain Michael D. Williams
MEC Negotiating Committee

First Officer Mark Hollis
MEC Negotiating Committee