MEMORANDUM OF UNDERSTANDING
between the
FEDERAL AVIATION ADMINISTRATION,
and
FEDERAL EXPRESS CORPORATION,
and the
AIR LINE PILOTS
in the service of
FEDERAL EXPRESS CORPORATION
as represented by the
AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

AVIATION SAFETY ACTION PROGRAM (ASAP) FOR FLIGHT DECK CREWMEMBERS

1. GENERAL. Federal Express Corporation d/b/a FedEx Express (FedEx Express) is a Title 14 of the Code of Federal Regulations (14 CFR) air carrier, operating under Part 121, and engaged in worldwide cargo operations. FedEx Express operates over 364 aircraft, and employs approximately 4,500 flight deck crewmembers. The flight deck crewmembers are represented by the Air Line Pilots Association, Int'l (ALPA). The term “flight deck crewmember” in this Memorandum of Understanding (MOU) shall have the same meaning as the term “pilot” in the collective bargaining agreement between FedEx Express and ALPA.

2. PURPOSE. The Federal Aviation Administration (FAA), FedEx Express, and ALPA are committed to improving flight safety. Each party has determined that safety would be enhanced if there were a systematic approach for flight deck crewmembers to promptly identify and correct potential safety hazards. The primary purpose of the FedEx Express Aviation Safety Action Program (ASAP) is to identify safety events, and to implement corrective measures that reduce the opportunity for safety to be compromised. In order to facilitate flight safety analysis and corrective action, FedEx Express and ALPA join the FAA in voluntarily implementing this ASAP for flight deck crewmembers, which is intended to improve flight safety through flight deck crewmember self-reporting, cooperative follow-up, and appropriate corrective action. This MOU governs the provisions of the program.
3. BENEFITS. The program will foster a voluntary, cooperative, nonpunitive environment for the open reporting of safety of flight concerns. Through such reporting, all parties will have access to valuable safety information that may not otherwise be obtainable. This information will be analyzed in order to develop corrective action to help solve safety issues and possibly eliminate deviations from 14 CFR. For a report accepted under this MOU, the FAA will use lesser enforcement action or no enforcement action, depending on whether it is a sole-source report, to address an event involving possible noncompliance with 14 CFR. This policy is referred to in this MOU as an "enforcement-related incentive."

4. APPLICABILITY. The FedEx Express ASAP applies to all flight deck crewmember employees of FedEx Express and only to events that occur while acting in that capacity. Reports of events involving apparent noncompliance with 14 CFR that are not inadvertent or that appear to involve an intentional disregard for safety, criminal activity, substance abuse, controlled substances, alcohol, or intentional falsification are excluded from the program.

a. Voluntary Disclosure. Events involving possible noncompliance with 14 CFR by FedEx Express that are discovered under this program may be handled under the Voluntary Disclosure Policy, provided that FedEx Express voluntarily reports the possible noncompliance to the FAA and that the other elements of that policy are met. (See the current version of AC 00-58, Voluntary Disclosure Reporting (VDR) Program and FAA Order 2150.3B, Compliance and Enforcement Program, Chapter 5).

b. Modifications. Any modifications of this MOU must be in writing and accepted by all parties to the agreement.

5. PROGRAM DURATION. This is a Test Continuing Program subject to review and renewal every two years by the FAA. This ASAP may be terminated at any time for any reason by FedEx Express, the FAA, or ALPA, upon written notice to the other parties to this MOU. The termination or modification of a program will not adversely affect anyone who acted in reliance on the terms of a program in effect at the time of that action; i.e., when a program is terminated, all reports and investigations that were in progress will be handled under the provisions of the program until they are completed. Failure of any party to follow the terms of the program ordinarily will result in termination of the program. Failure of FedEx Express to follow through with corrective action acceptable to the FAA to resolve any safety deficiencies ordinarily will result in termination of the program.

6. REPORTING PROCEDURES. When a flight deck crewmember observes a safety problem or experiences a safety-related event, he or she should note the problem or event and describe it in enough detail so that it can be evaluated by a third party.
Para. 6.

a. **ASAP Report Form.** At an appropriate time during the workday (e.g. after the duty period has ended for the day of occurrence), the employee should complete FedEx Express ASAP Form for each safety problem or event and submit it electronically to the Managing Director of Flight Safety (ATTN: ASAP Manager). If the electronic system is not available to the flight crewmember at the time he or she needs to file a report, the employee may contact the ASAP Manager's office and file a report via telephone or facsimile within 24 hours (domestic flights) or 48 hours (international flights) after the end of duty period for the day of occurrence, absent extraordinary circumstances. Reports filed telephonically within the prescribed time limit must be followed by a formal report submission within three calendar days thereafter. If the safety event involves a deviation from an ATC clearance, the flight deck crewmember should note the date, time, place, altitude, flight number, and ATC frequency, along with enough other information to fully describe the event and any perceived safety problem.

b. **Time Limit.** Reports that the ERC determines to be sole-source will be accepted under the ASAP, regardless of the timeframe within which they are submitted, provided they otherwise meet the acceptance criteria of paragraphs 11.a.(2), (3) and (4) of this MOU. Reports which the ERC determines to be non sole-source must meet the same acceptance criteria, and must also be filed within one of the following two possible timeframes:

1. Within 24 hours after the end of the duty period for the day of occurrence for domestic trips, or 48 hours after the end of the duty period for the day of occurrence for international trips, absent extraordinary circumstances. For example, for a domestic trip, if the event occurred at 1400 hours on Monday and a flight deck crewmember completes the duty period for that day at 1900 hours, the report should be filed no later than 1900 hours on the following day (Tuesday). In order for all employees to be covered under the ASAP for any apparent noncompliance with 14 CFR resulting from an event, they must all sign the same report or submit separate signed reports for the same event (electronic signature sufficient).

2. Within 24 hours of having become aware of possible non-compliance with 14 CFR provided the following criteria are met: If a report is submitted later than the time period after the occurrence of an event stated in paragraph 6.b.(1) above, the ERC will review all available information to determine whether the flight crewmember knew or should have known about the possible noncompliance with 14 CFR within that time period. If the ERC determines that the employee did not know or could not have known about the possible noncompliance with 14 CFR until informed of it, then the report would be included in ASAP, provided the report is submitted within 24 hours of having
Para. 6.b.(2)

become aware of possible noncompliance with 14 CFR, and provided that the report otherwise meets the acceptance criteria of this MOU. If the employee knew or should have known about the possible noncompliance with 14 CFR, then the report will not be included in ASAP.

c. **Non-reporting employees covered under this ASAP MOU.** If an ASAP report identifies another covered employee in an event involving possible noncompliance with 14 CFR and that employee has neither signed that report nor submitted a separate report, the ERC will determine on a case-by-case basis whether that employee knew or reasonably should have known about the possible noncompliance with 14 CFR. If the ERC determines that the employee did not know or could not have known about the apparent possible noncompliance with 14 CFR, and the original report otherwise qualifies for inclusion under ASAP, the ERC will offer the non-reporting employee the opportunity to submit his/her own ASAP report. If the non-reporting employee submits his/her own report within 24 hours of notification from the ERC, that report will be afforded the same consideration under ASAP as that accorded the report from the original reporting employee, provided all other ASAP acceptance criteria are met. However, if the non-reporting employee fails to submit his/her own report within 24 hours of notification from the ERC, the possible noncompliance with 14 CFR by that employee will be referred to an appropriate office within the FAA for additional investigation and reexamination and/or enforcement action, as appropriate, and for referral to law enforcement authorities, if warranted.

d. **Non-reporting employees not covered under this ASAP MOU.** If an ASAP report identifies another FedEx Express employee who is not covered under this MOU, and the report indicates that employee may have been involved in possible noncompliance with 14 CFR, the ERC will determine on a case-by-case basis whether it would be appropriate to offer that employee the opportunity to submit an ASAP report. If the ERC determines that it is appropriate, the ERC will provide that employee with information about ASAP and invite the employee to submit an ASAP report. If the employee submits an ASAP report within 24 hours of notification from the ERC, that report will be covered under ASAP, provided all other ASAP acceptance criteria are met. If the employee fails to submit an ASAP report within 24 hours of notification from the ERC, the possible noncompliance with 14 CFR by that employee will be referred to an appropriate office within the FAA for additional investigation and reexamination and/or enforcement action, as appropriate, and for referral to law enforcement agencies, if warranted.

7. **POINTS OF CONTACT.** The ERC will be comprised of one representative from FedEx Express Management; one representative from ALPA; and one FAA inspector assigned as the ASAP representative from the Certificate.
Para. 7.

Holding District Office (hereinafter referred to as “CHDO”) for FedEx Express; or their designated alternates in their absence. In addition, FedEx Express will designate one person who will serve as the ASAP Manager and other individual(s) who will serve as ASAP coordinator(s). The ASAP Manager and coordinator(s) shall conduct activities in strict confidence, will be responsible for program administration, and will not serve as voting members of the ERC.

8. ASAP MANAGER. When the ASAP Manager receives the report, he or she will record the date and time of any event described in the report and the date and time the report was submitted through the electronic system. The ASAP Manager will enter the report, along with all supporting data, on the agenda for the next ERC meeting. Reports should be provided to all ERC members prior to the scheduled ERC meeting in accordance with guidance contained in Advisory Circular 120-68, as amended. The ERC will determine whether a report is submitted in a timely manner or whether extraordinary circumstances precluded timely submission. To confirm that a report has been received, the ASAP Manager will send a written receipt through the electronic system to each employee who submits a report. The receipt will be used to determine whether the report was timely. The ASAP Manager will serve as the focal point for information about, and inquiries concerning the status of, ASAP reports, and for the coordination and tracking of ERC recommendations.

9. EVENT REVIEW COMMITTEE (ERC). The ERC will review and analyze reports submitted by the flight deck crewmembers under the program, identify actual or potential safety problems from the information contained in the reports, and propose solutions for those problems. The ERC will provide feedback to the individual who submitted the report.

a. Information Security. The ASAP Manager and the ERC will maintain a secure database that continually tracks each event and the analysis of those events. Access shall be solely limited to the ASAP manager, ASAP coordinator(s), and the ERC. The ERC will conduct a periodic 12-month review of the ASAP database with emphasis on determining whether corrective actions have been effective in preventing or reducing the recurrence of safety-related events of a similar nature. That review will include possible additional recommendations for corrective action for recurring events indicative of adverse safety trends.

b. ERC Review. This periodic review is in addition to any other reviews conducted by the FAA. The ERC will also be responsible for preparing a final report on the demonstration program at its conclusion. If an application for a continuing program is anticipated, the ERC will prepare and submit a report with the certificate holder’s application to the FAA 60 days in advance of the termination date of the demonstration program.

c. ERC ASAP Training Policy. All FedEx Express and ALPA ERC members must attend and complete an ASAP training course jointly
agreed to by FedEx Express and ALPA prior to acting as ERC members. The purpose for the training is to create, among other things, a skill set to facilitate determining inclusion and exclusion of events using an objective safety and event analysis process. In addition to FAA policy guidance, the training will address acceptable behavior, procedural compliance, and events that may have resulted from a conscious disregard of a substantial and unjustifiable risk. The content of this course forms the foundation for the ERC deliberative process. Any subsequent changes to the training will be mutually agreed to by FedEx Express and ALPA. Recognizing that the FAA trains all its ERC representatives at a separate formal course in Oklahoma City, Oklahoma, the FAA ERC member will be invited to voluntarily participate in this training for the FedEx Express and ALPA ERC members.

10. ERC PROCESS.

a. ERC Meetings. The ERC will meet as necessary to review and analyze reports that will be listed on an agenda submitted by the ASAP Manager. The ERC will determine the time and place of the meeting. The ERC will meet at least twice a month, and the frequency of meetings will be determined by the number of reports that have accumulated or the need to acquire time-critical information. ERC representatives shall conduct activities in strict confidence. No person shall attend any ERC meeting without the consent of the ERC, and any observer shall be bound by the same confidentiality requirement as stated above for the ERC representatives.

b. ERC Decision-Making. The ERC will make its decisions involving ASAP issues based on consensus. Under the FedEx Express ASAP, consensus of the ERC means the voluntary agreement of all representatives of the ERC. It does not require that all members believe that a particular decision or recommendation is the most desirable solution, but that the result falls within each member’s range of acceptable solutions for that event in the best interest of safety. In order for this concept to work effectively, each ERC representative shall be empowered to make decisions within the context of the ERC discussions on a given report. The ERC representatives will strive to reach consensus on whether a reported event is covered under the program, how that event should be addressed, and the corrective action or any enforcement action that should be taken as a result of the report. For example, the ERC should strive to reach a consensus on the recommended corrective action to address a safety problem such as an operating deficiency or airworthiness discrepancy reported under ASAP. The corrective action process would include working the safety issue(s) with the appropriate departments at the airline and the FAA that have the expertise and responsibility for the safety area of concern. Recognizing that the FAA holds statutory authority to enforce the necessary rules and regulations, it is understood that the FAA
Para. 10.b.

retains all legal rights and responsibilities contained in Title 49, United States Code, and FAA Order 2150.3B. In the event there is not a consensus of the ERC on decisions concerning a report involving an apparent violation(s), a qualification issue, or medical certification or medical qualification issue, the FAA ERC representative will decide how the report should be handled. The FAA will not use the ASAP report nor the content of the ASAP report in any subsequent enforcement action, except as described in paragraph 11.a (3) of this MOU.

c. **Scope of ERC Investigations.** It is anticipated that three types of reports will be submitted to the ERC: safety-related reports that appear to involve a possible noncompliance with 14 CFR, reports that are of a general safety concern, but do not appear to involve possible noncompliance with 14 CFR, and any other reports: e.g., involving catering, etc. All safety-related reports shall be fully evaluated and, to the extent appropriate, investigated.

d. **Internal ERC Reporting.** The ERC will forward non-safety reports to the appropriate FedEx Express department head for his/her information and, if possible, internal (FedEx Express) resolution. For reports related to flight safety, including reports involving possible noncompliance with 14 CFR, the ERC will analyze the report, conduct interviews of reporting flight deck crewmembers, and gather additional information concerning the matter described in the report, as necessary.

e. **Corrective Action for Systemic Issues.** The ERC should also make recommendations to FedEx Express for corrective action for systemic issues. For example, such corrective action might include changes to FedEx Express flight operations procedures, aircraft maintenance procedures, or modifications to the training curriculum for flight deck crewmembers. Any recommended changes that affect FedEx Express will be forwarded through the ASAP Manager to the appropriate department head for consideration and comment, and, if appropriate, implementation. The FAA will work with FedEx Express to develop appropriate corrective action for systemic issues. The ASAP Manager will track the implementation of the recommended corrective action and report on associated progress as part of the regular ERC meetings. Any recommended corrective action that is not implemented should be recorded along with the reason it was not implemented.

f. **Medical Qualification Issues.** When, in the course of carrying out its ASAP responsibilities, the ERC becomes aware of an issue involving the medical qualification or medical certification of an airman, the ERC must immediately advise the appropriate FAA Regional Flight Surgeon about the issue. The ERC will work with the Regional Flight Surgeon, the certificate holder’s medical department or medical consultants, and the ALPA Aeromedical Office to resolve any medical certification or medical
Para. 10.f.

qualification issues or concerns revealed in an ASAP report, or through the processing of that report. The FAA ERC member must follow the direction(s) of the Regional Flight Surgeon with respect to any medical certification or medical qualification issue(s) revealed in an ASAP report.

**g. Recommended Corrective Action.** Any corrective action recommended by the ERC for a report accepted under ASAP must be completed to the satisfaction of all members of the ERC, or the ASAP report will be excluded from the program, and the event will be referred to the FAA for further action, as appropriate.

**h. Use of the FedEx Express ASAP Report.** Neither the ASAP report nor the content of the ASAP report will be used to initiate or support any company disciplinary action, or as evidence for any purpose in an FAA enforcement action, except as provided in paragraph 11.a.(3) of this MOU. By separate agreement attached hereto, FedEx Express and ALPA have agreed how FedEx Express will handle accepted ASAP reports. The FAA may conduct an independent investigation of an event disclosed in a report.

**11. FAA ENFORCEMENT AND COMPANY CORRECTIVE ACTION.**

**a. Criteria for Acceptance.** The following criteria must be met in order for a report to be covered under ASAP:

1. The employee must submit the report in accordance with the time limits specified under paragraph 6 of this MOU.

2. Any possible noncompliance with 14 CFR disclosed in the report must be inadvertent and must not appear to involve an intentional disregard for safety.

3. The reported event must not appear to involve criminal activity, substance abuse, controlled substances, alcohol, or intentional falsification. Reports involving those events will be referred to an appropriate FAA office for further handling. The FAA may use the content of such reports for any enforcement purposes and will refer such reports to law enforcement agencies, if appropriate. If upon completion of subsequent investigation it is determined that the event did not involve any of the aforementioned activities, then the report will be referred back to the ERC for a determination of acceptability under ASAP. Such referred back reports will be accepted under ASAP provided they otherwise meet the acceptance criteria contained herein.

4. The ERC will utilize a “Just Culture” model as agreed to by FedEx Express and ALPA to determine acceptance of an ASAP report. Just Culture defines behavioral actions based upon Human Error, At-Risk Behavior, and conscious disregard of a substantial and unjustifiable
Para. 11.a.(4)

risk. Based on all information available, the ERC cannot accept an ASAP report if the event involved a conscious disregard of a substantial and unjustifiable risk.

b. Administrative or Informal Action. Notwithstanding the criteria in Chapter 5 of FAA Order 2150.3B, as amended, possible noncompliance with 14 CFR disclosed in a non-sole-source ASAP report that is covered under the program and supported by sufficient evidence will be addressed with administrative action (i.e., a FAA Warning Notice or FAA Letter of Correction, as appropriate for administrative action) or informal action (i.e., oral or written counseling). Sufficient evidence means evidence gathered by an investigation not caused by, or otherwise predicated on, the individual's safety-related report. There must be sufficient evidence to prove the violation, other than the individual's safety-related report. In order to be considered sufficient evidence under ASAP, the ERC must determine through consensus that the evidence (other than the individual's safety-related report) would likely have resulted in the processing of a FAA enforcement action had the individual's safety-related report not been accepted under ASAP. If the ERC determines that sufficient evidence supports a violation for an accepted non-sole-source report, before informal action can be used to close an ASAP case, there must be ERC consensus that the apparent violation does not indicate a lack of qualification, as listed on the E-EDP worksheet, Step two, Criterion three in FAA Order 8900.10, Volume 14, Chapter 1, as amended. In addition, as determined by applying E-EDP worksheet steps three, four, and five, the violation must be determined by consensus of the ERC to be low risk. Accepted non sole-source reports for which there is not sufficient evidence will be closed with a FAA Letter of No Action.

c. Sole-Source Reports. For the purposes of FAA action, a report is considered a sole-source report when all evidence of the event available to the FAA is discovered by or otherwise predicated on the report. Apparent violations disclosed in ASAP reports that are covered under the program and are sole-source reports will be addressed with an ERC response (no FAA action). It is possible to have more than one sole-source report for the same event.

d. Reports Involving Qualification Issues. FedEx Express ASAP reports covered under the program that demonstrate a lack, or raise a question of a lack, of qualification of a certificate holder employee will be addressed with corrective action, if such action is appropriate and recommended by the ERC. If an employee fails to complete the corrective action in a manner satisfactory to all members of the ERC, then his/her report will be excluded from ASAP. In these cases, the ASAP event will be referred to an appropriate office within the FAA for any additional investigation and reexamination and/or enforcement action, as appropriate.
Para. 11.

e. Excluded from ASAP. Reported events involving possible noncompliance with 14 CFR that are excluded from ASAP will be referred by the FAA ERC member to an appropriate office within the FAA for any additional investigation and re-examination and/or enforcement action, as appropriate.

f. Corrective Action. Employees initially covered under an ASAP will be excluded from the program and not entitled to the enforcement-related incentive if they fail to complete the recommended corrective action in a manner satisfactory to all members of the ERC. Failure of an employee to complete the ERC recommended corrective action in a manner satisfactory to all members of the ERC may result in the reopening of the case and referral of the matter for appropriate action. All corrective action shall be conducted on a "train to proficiency" basis. In recommending corrective action, the ERC shall state the exact nature of any corrective action with specificity so that the individual charged with carrying out the review of that corrective action will confine that review to the specific corrective action only. The flight deck crewmember(s) shall be advised of such corrective action prior to its commencement with appropriate time for preparation.

g. Repeated Instances of Noncompliance with 14 CFR. Reports involving the same or similar possible noncompliance with the Regulations that were previously addressed with administrative or informal action under ASAP will be accepted into the program, provided they otherwise satisfy the acceptance criteria in paragraph 6 above. The ERC will consider on a case-by-case basis the corrective action that is appropriate for such reports.

h. Closed Cases. A closed ASAP case including a related enforcement investigative report involving a violation addressed with the enforcement-related incentive, or for which no action has been taken, may be reopened and appropriate enforcement action taken if evidence later is discovered that establishes that the violation should have been excluded from the program.

12. EMPLOYEE FEEDBACK. The ASAP Manager will publish a synopsis of the reports received from flight deck crewmembers in the ASAP section of the quarterly Flight Operations Newsletter. The synopsis will include enough information so that flight deck crewmembers can identify their reports. Employee names and other non-critical information that can be de-identified without compromising the substance of the report will not be included in the synopsis. To the extent that the ERC determines it to be appropriate, the outcome of such reports may be published. Any employee who submitted a report may also contact the ASAP Manager to inquire about the status of his/her report. In addition, each employee who submits a report accepted
Para. 12.

under ASAP will receive individual feedback on the final disposition of the report.

13. INFORMATION AND TRAINING. The details of the ASAP will be made available to all flight deck crewmembers and their supervisors by publication in the FedEx Express Flight Operations Manual (FOM) and on the Flight Operations website. Each FedEx Express flight deck crewmember and manager will receive written guidance outlining the details of the program at least two (2) weeks before the program begins. Each flight crewmember will also receive additional instruction concerning the program during the next regularly scheduled recurrent training session, and on a continuing basis in recurrent training thereafter. All new-hire flight deck crewmembers will receive training on the program during initial training.

14. REVISION CONTROL. Revisions to this MOU shall be in writing and documented using standard revision control methodology.

15. RECORDKEEPING. All documents and records regarding this program will be kept by the FedEx Express ASAP Manager and made available to the other parties of this MOU at their request. All records and documents relating to this program will be appropriately kept in a manner that ensures compliance with 14 CFR and all applicable law (including the Pilot Records Improvement Act). ALPA and the FAA will maintain whatever records they deem necessary to meet their needs.

16. SIGNATORIES. All parties to this MOU are entering into this agreement voluntarily.
IN WITNESS WHEREOF, the parties hereto have signed this Memorandum of Understanding concerning the Aviation Safety Action Program for Flight Deck Crewmembers this 14th day of November 2014.

FOR FEDERAL EXPRESS CORPORATION:

[Signature]
Captain Paul E. Cassel
Senior Vice President,
Flight Operations

DATE: 12-15-14

FOR THE AIR LINE PILOTS ASSOCIATION:

[Signature]
Captain Scott Stratton
Chairman, FedEx ALPA MEC

DATE: 12-12-14

FOR THE FEDERAL AVIATION ADMINISTRATION:

[Signature]
Manager, FAA CMO
For FedEx Express

DATE: 12-16-2014
June 28, 2011

Captain Scott Stratton
Chairman, FedEx ALPA MEC
1770 Kirby Parkway, Suite 300
Memphis, TN 38138

RE: Aviation Safety Action Program (ASAP); Paragraph 11.i.

Dear Captain Stratton:

In the discussions that led to our ASAP MOU, which FAA recently approved, the parties agreed to the following provision, describing the treatment of accepted ASAP reports, relative to discipline:

**Company Disciplinary Action.** No Company disciplinary action will be taken against a flight deck crewmember who submits an ASAP report that meets the acceptance criteria set forth in paragraph 11.a of the ASAP MOU regarding the event disclosed in such ASAP report, provided that such crewmember/report is not subsequently excluded from the program.

The purpose of this letter is to confirm that, although that provision does not appear in the ASAP MOU itself, the Company agrees to be bound by that provision as if it were contained in the MOU.

Sincerely,

FEDERAL EXPRESS CORPORATION

[Signature]

John D. Maxwell
Vice President, Labor Relations

Accepted and agreed to on behalf of the Air Line Pilots Association:

[Signature]

Captain Scott Stratton
Chairman, FedEx ALPA MEC

Dated this 14 day of July, 2011