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, INTERNATIONAL

Civil Reserve Air Fleet LOA

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 the pilots in the service of FEDERAL EXPRESS CORPORATION, as represented by the AIR LINE PILOTS ASSOCIATION INTERNATIONAL (hereinafter referred to as the “Association”).

WHEREAS, the Company and the Association wish to amend the initial collective bargaining Agreement, dated May 31, 1999, to address Civil Reserve Air Fleet (CRAF) issues that have arisen since the conclusion of negotiations on December 16, 1998.

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

A. Scope of Agreement

This LOA applies to CRAF-cargo activated flying only. This LOA does not apply to expansion flying as determined by Air Mobility Command (AMC), or to any other non-CRAF FedEx flying.

B. Definitions

The term “increased threat area” is defined as those airports within a country that are either in or geographically contiguous to a country against which the United States is actively engaged in a military confrontation.

For the purposes of the above paragraph, “actively engaged in a military confrontation” means that the U.S. is actively taking substantial armed military action against a foreign government, which in turn, has triggered the need for CRAF support.
C. **CRAF Premium**

A pilot who actually operates as a required crewmember on a trip involving a CRAF flight into an increased threat area shall be paid a CRAF premium when the pilot either: (1) operates the CRAF flight into and out of the increased threat area or (2) operates the CRAF flight into or out of the increased threat area and then is to deadhead into or out of the increased threat area or (3) operates a CRAF flight leg that is intended to land in an increased threat area, but is instead directed to divert from the area while airborne because of military concerns in the area. An air turnback which returns to the increased threat area is not to receive any additional CRAF premium because of the turnback. The CRAF premium shall be as follows:

- Captains: $700
- First Officers: $500
- Second Officer: $400

This additional compensation shall be paid in accordance with Section 3.E.1.a.iv. and shall be considered pensionable earnings.

**Example:** Assume the United States actively engages in a military confrontation against Iraq. A pairing that actually operates Dover AFB, DE-Shannon, Ireland – Milan, Italy - Kuwait City, Kuwait - Milan, Italy - Dover AFB, DE would qualify for the CRAF premium because it operated into Kuwait City, (which is a military offload destination in an increased threat area). A pairing that only went from Dover AFB, DE to Milan would not qualify, even though it was a CRAF flight, because it did not transit an airport that is in an increased threat area. One way revenue legs to/from Kuwait city with a deadhead on the other leg also would qualify.

D. **Additional AD&D Coverage**

The Company will provide an additional $200,000 of AD&D coverage to pilots on flight sequences that qualify for the CRAF premium outlined in paragraph C.

E. **Scheduling**

To the extent required to accomplish a CRAF mission, pilots may be required to operate up to the maximum limits specified by FAR and safe operating practices. This provision shall apply only to the FedEx CRAF flight sequence into and out of an increased threat area. Moreover, in CRAF missions into/out of an increased threat area, the restriction contained in Section 12.D.7.b. shall be waived for the CRAF period.
IN WITNESS WHEREOF, the Company and the Association have executed this Letter of Agreement this 10th day of January, 2003.

FOR THE COMPANY

Don Maliniak, Vice President
Labor Relations Law

John Maxwell, Managing Director
Labor Relations Law

FOR THE ASSOCIATION

Captain Duane E. Woerth
President

Captain David Webb
Chairman, FEDEX MEC