



August 26, 2006

Captain David Webb
Captain Robert Chimenti
FEDEX Master Executive Council
Air Line Pilots Association, International
1770 Kirby Parkway, Suite 300
Memphis, TN 38138

Gentlemen:

The letter is intended to describe FedEx Corp.'s intentions and commitments with respect to the interaction between FedEx Corp., its operating companies and FedEx Express specifically concerning subsequently acquired or developed air carrier operations by FedEx Corp. or any of its operating companies.

As you both know, FedEx Express is a Railway Labor Act (RLA) carrier whose operations are interconnected and integrated with its ground, hub and other support operations. With respect to any acquisition or development of another RLA air carrier should FedEx Corp. or other Federal Express operating companies acquire or develop any RLA carrier it shall be housed within FedEx Express. In other words, it is not the intent of FedEx Corp. to run or acquire an "alter ego" airline to compete with FedEx Express.

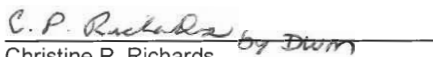
As for the other Federal Express operating companies, it should be noted that some of these companies have, as part of their business model, relationships with other airlines as well as FedEx Express in order to service their customers. However, none of these companies own or operate any aircraft with pilots. Should any of the other operating companies employ pilots who operate aircraft (excluding corporate aviation aircraft and those with a MTOGW of 60,000 pounds or less) for purposes of supporting their businesses, those acquisitions will be moved to FedEx Express for integration into FedEx Express, as the RLA carrier component of this network.

FedEx Corp. further commits to be bound by Sections 1.C. and 1.D.2. of the collective bargaining agreement between FedEx Express and the Air Line Pilots Association, and to resolve any disputes arising out of the interpretation or


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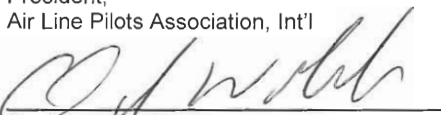
application of those provisions or this Letter of Agreement in accordance with the expedited arbitration procedures of Section 1.E. of that agreement.

Sincerely,


 Christine P. Richards
 EVP, General Counsel and Secretary
 FedEx Corporation

Accepted:


 Captain Duane Woerth
 President,
 Air Line Pilots Association, Int'l


 Captain David Webb
 Chairman, FedEx MEC
 Air Line Pilots Association, Int'l


 Captain Robert Chimenti
 Chairman, MEC Negotiating Committee
 Air Line Pilots Association, Int'l