

**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**

Convention on International Civil Aviation Conformations

This Letter of Agreement (LOA) 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 (Company) and the pilots in the service of the Company, as represented by the Air Line Pilots Association, International (Association or ALPA).

WHEREAS, the Fair Treatment for Experienced Pilots Act (FTEPA), Public Law 110–135, provided the ability of an individual to serve as a Captain or First Officer until attaining 65 years of age,

WHEREAS, the FTEPA provided a limitation on that same ability for those individuals who have attained age 60 for flights between the United States and another country, with the FTEPA utilizing the “ICAO standard,” found in Annex 1 to the Convention on International Civil Aviation (commonly referred to as the “Chicago Convention”), Section 2.1.10.1,

WHEREAS, the FTEPA’s utilization of the “ICAO standard” creates a category of conflicts that require administrative rules and procedures not currently included in the basic Agreement, with regard to monthly bidding procedures, bid period processing, and thereafter in open time assignments, etc.,

NOW, THEREFORE, the parties agree as follows:

## **Definitions:**

### **1. ICAO Conflict**

A trip that has, or would have, a Captain and a First Officer (excluding RFO) who have attained 60 years of age on a flight that originates from, terminates in, or transits a country other than the United States. The existence of an ICAO conflict shall be determined by each pilot's age 48 hours after the scheduled end of the trip.

### **2. ICAO Complement**

The status of a Captain/First Officer pair in which an ICAO Conflict does not, or would not, exist.

### **3. ICAO Restricted**

The status of a Captain or First Officer who has attained 60 years of age as of 48 hours after the scheduled end of the trip.

#### **A. Permanent Rules for Applying ICAO Standard**

The permanent rules shall apply beginning no later than the October, 2011 bid period.

##### **1. Designation of ICAO Restricted Pilots**

Pilots who could be restricted by the ICAO standard shall be so designated in appropriate portions of the Company's computer and data systems available to affected pilots. This shall be accomplished by the most narrowly tailored means that permits informed bidding and schedule inputs by pilots. Except as may be modified by subsequent agreement of the Company and the Association as provided in paragraph E. of this LOA, the designation of ICAO restricted pilots shall be as follows:

- a. Contemporaneous with the availability of bid awards for Captains, the Company shall display a list of First Officer line and pairing numbers held by ICAO restricted Captains in each ICAO restricted F/O's base to ICAO restricted First Officers.
- b. To facilitate informed inputs during the View/Add window and for acquiring open time flying, each ICAO restricted Captain shall have access to an electronic list, by employee number, of the ICAO restricted First Officers in the pilot's base.
- c. To facilitate informed inputs during the View/Add window and for acquiring open time flying, each ICAO restricted First Officer shall have access to an electronic list, by employee number, of the ICAO restricted Captains in the pilot's base.

##### **2. Regular Lines**

- a. Captains shall bid and be awarded regular lines without regard to an ICAO restricted status.
- b. The standing monthly bid format in Section 25.C.2. and the monthly bid in Section 25.E.1. shall provide a specific means by which a First Officer can bid to avoid ICAO conflicts, and also a means to indicate that any ICAO conflicts are to be handled as provided in paragraph A.2.d.ii. (substitution), rather than as provided in paragraph A.2.d.i. (phase-in make up/CIA). The "No ICAO Conflicts" bid choice shall be available to

all First Officers who will have reached the age of ICAO restriction (i.e., currently 60) as of the end of the bid period for which the pilot is bidding. Except as provided in paragraph A.2.e. below, a First Officer who bids to avoid ICAO conflicts shall not be awarded a line of flying that includes a trip(s) that would constitute an ICAO conflict. The First Officer shall then be awarded the next non-ICAO conflicting line according to seniority and pursuant to other provisions of the Agreement.

- c. A First Officer who does not bid to avoid ICAO conflicts shall be awarded a line without regard to such ICAO conflicts.
- d. ICAO conflicts shall be handled as follows:
  - i. except as provided in paragraph A.2.d.ii., below, ICAO conflicts shall constitute phase-in conflicts as provided in Section 25.F. (e.g., conflicting assignment(s) shall be dropped and be eligible for make-up under the CIA assignment code), and the pilot shall have the ability to enter bids during the View/Add Window.
  - ii. If the pilot's bid indicates that his ICAO conflicts are to be handled as substitution, rather than as phase-in conflicts creating CIA eligibility, then any ICAO conflicted trips shall be removed, eligible for substitution.
- e. If a First Officer bids to avoid ICAO conflicts, but cannot hold any lines without ICAO conflicts, he may be awarded a line with an ICAO conflict. In such cases, the Company shall notify the pilot that he received a line with ICAO conflicts notwithstanding his bid. In this case, the First Officer will be removed from his line and assigned a secondary line, provided he contacts Futures within 36 hours after the award of his line and requests relief under this paragraph.

### 3. Secondary and Conversion Lines

In the construction of secondary and conversion lines, a preference for a trip shall not be granted if it would create an ICAO conflict. When the preferences of a Captain and First Officer would create an ICAO conflict, the Captain shall be awarded the trip. A pilot who reaches the age of ICAO restriction during the bid period for which he holds a secondary or conversion line shall be treated as ICAO restricted for that entire bid period.

### 4. Reserves

A pilot shall not be given a reserve assignment that creates an ICAO conflict.

### B. Bid Line Adjustments

A pilot shall not be assigned a bid line adjustment that creates an ICAO conflict. Inadvertent assignment errors shall be handled as provided in Section 25.AA.

### C. Standbys

A pilot shall not be assigned a standby period under Section 12.B.3. if the pilot's status is not an ICAO complement to the pilot previously assigned to that activity (unless the Company has designated the standby as a "domestic only" standby, in which case this restriction shall not apply). Inadvertent assignment errors shall be handled as provided in Section 25.AA.

D. Award Limitations

An ICAO restricted pilot may be denied the following awards that the pilot could hold but for the ICAO restricted status.

1. Crew position award/assignment

- a. The Company may choose to restrict a pilot from a crew position award/assignment to a First Officer crew seat if that pilot would attain 58 years of age based on the pilot's projected activation date of the initial training letter published pursuant to Section 24.C.2.c.
  - i. Contemporaneous with the publishing of the award under Section 24.C.2., the Company shall notify ALPA and the pilot so restricted.
  - ii. Each restricted pilot shall be paid the pay rate of the crew position that the pilot was restricted from holding beginning on his projected activation date. Restricted pilots who do not earn an upgraded pay rate pursuant to this paragraph shall earn \$1,000 per bid period, in addition to all other compensation, beginning with the bid period containing his projected activation date. The \$1,000 supplement shall continue for each bid period in which such pilot is in an active pay status in the crew position the pilot held when the crew position award was denied or a lateral crew position.
  - iii. This paragraph shall not apply to pilots covered by Section 24.E.3. (regulated age freeze).
- b. Within 60 days following the date on which the ICAO standard no longer applies to pilots, a pilot restricted by paragraph D.1.a. shall be offered the crew position unless otherwise restricted by the Agreement, provided, however, that the Company may continue the restriction for an award/assignment to an FDA, in which case the pilot's compensation as provided in paragraph D.1.a. shall continue.
  - i. If the pilot elects to accept the crew position, the pilot shall have the opportunity to select the training date from published dates, but not out of seniority order considering the posting on which the pilot was initially denied the award as the basis for determining seniority order. Such selection shall not result in passover pay entitlement for another pilot.
  - ii. If the pilot does not elect to accept the crew position, any pay entitlement pursuant to paragraph D.1.a. shall stop on the following month after the pilot's notification. There shall be no repayment obligations for the D.1.a. pay received prior to election.

2. Bid period award

An ICAO restricted First Officer may be denied a SIBA award or temporary vacancy award. If such occurs, the pilot shall be awarded the next non-ICAO conflicting line/award according to system seniority and other provisions of the Agreement. A pilot denied a SIBA or temporary vacancy award shall be entitled to \$1,000 per bid period, in addition to all other compensation, for each bid period in which the pilot is denied such award.

E. Ongoing Implementation Measures

Other measures facilitating the operation and support of pilots performing flying in which the ICAO standard is applicable may be implemented if agreed upon in writing by the Vice President, Labor Relations Law and the ALPA FedEx MEC Chairman.

F. Effective Date and Duration

This Letter of Agreement is effective on the date signed and shall remain in full force and effect concurrent with the basic Agreement, provided, however, that unless otherwise agreed to by ALPA and the Company, this LOA shall cease to become effective on the beginning of the next bid period following the date on which the ICAO standard no longer applies to pilots.

**[Signature Page to Follow]**