

SECTION 29

UNION SECURITY AND CHECKOFF

A. Conditions

1. As limited by the letter regarding Transition to Union Security dated August 26, 2006, each pilot covered by the Agreement who fails to acquire and maintain membership in the Association will be required, as a condition of continued employment, beginning 60 days following the completion of his probationary period, to pay to the Association each month a service charge as a contribution for the administration of the Agreement and the representation of the pilot. The Association has established that the service charge shall be an amount equal to the Association's regular dues and periodic assessments. In calculation of each non-member's monthly obligation, the Association will allocate and adjust charges in the same manner it followed with respect to its members.
2. The provisions of this Section will not apply to any pilot covered by the Agreement to whom membership in the Association is not available upon the same terms and conditions as are applicable to any other pilot, or to any pilot to whom membership in the Association was denied or terminated for any reason other than the failure of the pilot to pay initiation (or reinstatement) fee, dues and assessments uniformly required.
3. If a pilot covered by this Agreement is delinquent, or becomes delinquent in the payment of fees, dues and assessments or the service charge as stated in Section 29.A.1., the Association will notify him with a copy to the Vice President, Flight Operations, or his designee, that the pilot is delinquent and not complying with contract requirements and may be subject to separation from employment. Such letter will also notify the pilot that he must remit the required payment within a grace period of 15 days or risk being separated from employment.
4. If, upon the expiration of the 15 day grace period, the pilot remains delinquent, the following procedure shall be followed:
 - a. The Association will give written notification to the Vice President, Flight Operations, or his designee, with a copy to the pilot, that the pilot has failed to remit payment within the grace period and may be subject to separation from employment as a pilot. The Association's notice will be accompanied by a packet of the letters sent to the pilot regarding the dues delinquency, and pilot responses to same, and along with all other relevant documentation in its possession regarding the delinquency matter.
 - b. Upon receipt of such notification, the Vice President, Flight Operations, or his designee, may require a meeting with the pilot and a representative of the Association. The Vice President, Flight Operations, or his designee, shall determine whether there was a compelling reason why the pilot remains delinquent in his dues. If no such reason exists, then the Vice President, or his designee, shall separate the pilot from employment. The existence of a compelling reason for the delinquency does not excuse the pilot from the obligation to rectify the delinquency; rather the Vice President, or his designee, shall propose a dues reconciliation plan tailored to the specific situation, and if the pilot fails to agree to such plan, he shall be separated from employment.
 - c. Within 30 days of receipt of such notification the Vice President, Flight Operations, or his designee, will give the pilot written notification of his employment status as a pilot. Any separation will automatically be held in abeyance for 10 days from the postmark date of mailing of the notification. If the pilot files an appeal in accordance with Section 29.A.4.d.i., the separation will be further held in abeyance pending the exhaustion of the appeal process in this Section. A pilot who is sent a separation notice will be placed on an unpaid personal leave of absence until the appeal process is final.
 - d. If the decision regarding the pilot's employment status, including any separation from employment, is not satisfactory to either the pilot or the Association's Vice President-Finance/Treasurer, either may file an appeal. Such appeal will be subject to the following procedure, which will be exclusive of the provisions of Sections 19, 20, and 21.

- i. The appeal shall be sent to the Company, to the other party and to the National Mediation Board (NMB) within 10 days of the receipt of the decision and must contain a request for the NMB to provide a list of 7 neutral referees.
 - ii. A neutral referee may be agreed upon by the pilot and the Association's Legal Department Director within 20 days following the date of the NMB list of neutral referees. If the parties cannot agree on a neutral referee, within the same 20 day period, a neutral referee shall be chosen from the panel supplied by the NMB using the alternate strike method with the pilot initiating the first strike. If the parties have not reached a selection using the alternate strike method within the same 20 day period, the first name listed on the 7 name panel provided by the NMB shall be deemed the neutral referee.
 - iii. The decision of the neutral referee will be requested within 30 days after the hearing of the appeal unless otherwise agreed by the pilot and the Association's Legal Department Director and will be final and binding on all parties to the dispute. The fees, charges and other reasonable expenses of such neutral referee will be paid equally by the pilot and the Association.
5. The Company will be considered to have satisfied the requirements and standards for just cause discharge under this Agreement when a pilot is separated from employment under the provisions of this Section.
 6. The Association agrees to indemnify, defend, and hold the Company harmless from any claims filed in any forum by or on behalf of any pilot relating to or arising out of any action taken by the Company pursuant to the terms of this Section.
 7. Time limits and meeting dates set forth in this Section may be modified, orally or in writing, by agreement of the Company and ALPA. Oral agreements will be confirmed in writing as soon as practicable. Requests for modification of time limits or meeting dates will not be unreasonably denied.
 8. The Association will provide the Company with written notice of any change in dues or assessment amounts as soon as practicable after such change is known.
 9. Delivery of all notices, letters, decisions and appeals pursuant to Section 29 shall be made in person, by Federal Express Overnight Letter, by certified mail, return receipt requested or by other methods which provide verification of receipt. Notice to the Company shall be sent to the Company's designated representative as set forth in the provisions of this Agreement. Notice to ALPA shall be sent to the Vice President - Finance, 535 Herndon Parkway, Herndon, VA 20170. Notice to pilots shall be sent to a pilot's permanent primary address. As provided in Section 26.N.2., a pilot must keep his permanent primary address current. Such information shall be shared electronically with the Association pursuant to Section 26.R. and will be used for correspondence under this section. The notice of delinquency under this paragraph will be deemed to be received by the pilot on the fifth day after its postmark date of mailing, when mailed by the Association by Certified Mail, Return Receipt Requested, or by FedEx Overnight Letter, to such pilot's permanent primary address.

B. Check Off

1. The Company agrees to deduct from the pay of each employee covered by the Agreement, and remit to the Association promptly upon such deduction, membership dues, assessments by the Association, assessments by the FedEx MEC, insurance premiums, and service charges uniformly levied, in accordance with the Constitution and By-Laws of the Association, all as prescribed by the Railway Labor Act, as amended, provided such employee voluntarily executes authorization on a form (checkoff form) supplied by the Association. An example of such checkoff form is provided below. If technical or space limitations preclude a complete listing of all the itemized deductions on a pilot's payroll stub, some Association deductions may be combined on the stub entry, if and where possible, or the parties may meet and consult to determine the appropriate method to satisfy the limitation problem.
2. All checkoff forms shall be submitted to the Association's Membership and Council Services Department, which shall forward the original to the Company's designated representative. Checkoff forms so received by the Company's designated representative shall be stamp-dated on the date received and shall constitute notice to the Company on the date received and not when mailed. A properly executed checkoff form shall become effective as of the first payroll period of a calendar

month commencing 15 days following its receipt by the Company. In accordance with applicable law, the Association will conform requests for payroll deductions to valid checkoff forms.

3. Any notice of revocation as set forth in the checkoff form must be in writing, signed by the pilot, and submitted to the Association's Manager, Membership and Council Services Department by Certified Mail, Return Receipt Requested, with a copy to the FedEx MEC Secretary-Treasurer. The Association's Membership and Council Services Department shall forward the original to the Company's designated representative. Notices of revocation are effective as of the first payroll period of a calendar month commencing 15 days following receipt of such revocation by the Association.
4. At the end of each month, the Company shall remit to the Association the funds collected pursuant to this Section during that period.
5. The Company shall forward an electronic record of the pilots for whom an Association-related deduction was made, each pilot's employee number, and the amount of each pilot's deduction, separately showing dues, Dues Reconciliation amounts, specific insurance premiums, service charges, and specific assessments, along with the date of the covered payroll period.
6. A pilot's checkoff form shall be deemed to have been revoked effective upon:
 - a. such pilot's resignation or termination from Company employment as a pilot; or
 - b. such pilot's furlough pursuant to Section 23; or
 - c. the Company's receipt of a pilot's written notice of revocation as provided in Section 29.B.3.Further deductions for such pilot, if any, shall be made only upon execution and receipt of another checkoff form.
7. This Agreement shall not be construed to revoke or cancel any FedEx checkoff form executed prior to the effective date of the Agreement.
8. Collection of any back dues owed at the time of starting deductions for any employee, collection of dues missed because the employee's earnings were not sufficient to cover the payment of dues in the specified pay period and dues owed because of errors by ALPA in the accounting procedure will be the responsibility of the Association and not the Company. The Association will make every effort to verify apparent errors with the individual Association member or pilot employee before contacting the Company's designated representative for dues and service charge deduction issues. In cases where a deduction is made which duplicates a payment already made to the Association by an employee, or where a deduction is not in conformity with the provisions of the Association's Constitution and By-Laws or Section 29 of this Agreement, refunds to the employees will be made by the Association.

C. Annual Income

On an annual basis and within 45 days of the end of each calendar year, the Company will furnish the FedEx MEC Secretary-Treasurer and the Association's Manager, Membership and Council Services Department with an electronic compilation of the annual income for each pilot who, as limited by the letter regarding Transition to Union Security dated August 26, 2006, and Section 29.A.2., is subject to this provision.

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ASSIGNMENT AND AUTHORIZATION FOR CHECK OFF OF DUES, ASSESSMENTS BY THE
ASSOCIATION AND THE FEDEX MEC, INSURANCE PREMIUMS, AND SERVICE CHARGES

TO: Federal Express Corporation

I, _____, hereby authorize and direct Federal Express Corporation to deduct from my earnings for the first payroll period in each calendar month a sum equal to the current standard membership Association dues (or such standard membership dues as may hereafter be established by the Association), assessments by the Association, assessments by the FedEx MEC, insurance premiums, and service charges as are now or may hereafter be established in accordance with the Constitution and By-Laws of the Association and as defined in Section 29 of the Agreement for remittance to the Air Line Pilots Association, International. I agree that this authorization shall be effective until revoked or until termination of the check off agreement between Federal Express Corporation and the Association, whichever occurs sooner.

Signature of Pilot

Employee No.

ALPA No. (if applicable)

Permanent Primary Address

City _____ State _____ Zip _____

Date _____

Disclosure Statement Required by Federal Tax Law

Dues, contributions, and gifts to the Air Line Pilots Association are not tax deductible as charitable contributions. However, they may be tax deductible as ordinary and necessary business expenses.