

Settlement Agreement

Administrative Grievance 10-02

ALPA and the Company agree to resolve Administrative Grievance 10-02 on the following terms:

A. Definitions

1. **Standard Crew:** for a flight, the minimum number of pilots required to operate the aircraft (i.e., two pilots for all Company aircraft except the 727).
2. **Augmented Crew:** for a flight, a standard crew plus one or two additional crewmembers on a flight. The complement of the additional crewmember(s) covering the relief pilot positions(s) may be staffed with Captain(s) or First Officer(s) (FO), subject to the scheduling constraints of Section 12.D.8.a. and FARs.

B. Determination of PIC and SIC

The Captain of Record (PIC) and Second-In-Command (SIC) on flights with an Augmented Crew shall be determined as follows :

1. The PIC and SIC will be the Captain and FO designated on the Standard Crew pairing, respectively.
2. There shall only be one Standard crew pairing.
3. The additional crewmember(s) assigned to augment the Standard Crew, whether Captain or FO, will always be designated as relief pilot(s) in separate, non-Standard Crew pairing(s).
4. A replacement crewmember (e.g., standbys, reserves, substitution) shall occupy the position of the crewmember they are replacing based on the pairing of the replaced crewmember (i.e., Standard Crew position or augmenting crewmember).
5. In the event of an operational revision after block-out that results in the pairing of two Standard Crews on an augmented flight segment, the PIC and SIC shall be determined by system seniority, unless otherwise agreed by the pilots scheduled to operate in the same crew seat.
6. The Company shall revise the training requirements included in the FOTM and AQP source documents to eliminate the activation check. Henceforth, the date of activation for a pilot qualifying in the captain crew status shall be the date of the pilot's successful completion of the IOE validation check.
7. Notwithstanding the provisions of this settlement agreement, the Company may schedule a required line check for a Captain originally assigned to augment the Standard Crew pairing. The Captain of Record listed on the Standard Crew pairing may be bumped from the entire trip, or a portion

thereof, in accordance with Section 25.U. of the Basic Agreement. The augmenting Captain must be in his due or grace month. In the event the Standard Crew PIC is retained per 25.U the revision shall be the minimum required to accomplish the required line check after which he shall be returned to the Standard Crew PIC status.

- C.** In the event the Company's FAA approved FRM program recommends a change to the Standard Crew designation within a trip that would require pairing construction that is not in compliance with this settlement agreement, the Company shall meet with the Association SIG/PSIT, Safety and Training Committee Representatives to consult and agree on the appropriate pairing construction parameters for those flight segment(s). If the parties cannot agree on such pairing construction parameters the Company may implement the required changes to pairing design only to the minimum level required by the FRM program.

D. Remedy for Identified Grievants

The Company will credit all currently identified grievants with the equivalent to the ABH of the disputed flight segment(s) (where the PIC was revised to a non-PIC status) in question to their CMU bank.

E. Resolution of Grievance 10-02

Upon execution of this Agreement, the Association shall withdraw Grievance 10-02-with prejudice.

Agreed this _____ day of _____, 2011:

First Officer Coy Briant
MEC Grievance Committee Chairman
Air Line Pilots Association

Federal Express Corporation
John D. Maxwell
Vice President, Labor Relations

Settlement Agreement

Administrative Grievances 09-02 and 09-04

The Association and the Company agree to resolve Administrative Grievances 09-02 and 09-04 on the following terms:

A. Definitions

SAM –Beginning on the effective date of this settlement agreement, System-wide Average Metric (SAM) shall be the same credit hour (CH) determination made in Section 25.C.8., as if there were no bid period package published for the applicable group of pilots in a base. Beginning the first day of the January 2012 bid period, the SAM shall be the average of regular and secondary lines. Secondary lines that are constructed solely with reserve days shall not be included in the average.

BUV – Buy-Up Value (BUV), all lines shall be “bought up” to the BUV in any bid period in which the pilots’ awarded BLG/RLG is below the BUV.

B. Regular and Secondary Line Construction Limitations:

With respect to the prospective application of Section 4.A.2.b.:

1. At least 85% of all regular and secondary lines, system wide, shall be constructed so that such lines are no more than 13 CH (17 CH in a 5 week bid period) greater than the lowest paid regular line.
2. At least 95% of all regular and secondary lines, system wide, shall be constructed so that such lines are no more than 16 CH (20 CH in a 5 week bid period) greater than the lowest paid regular line.
3. Lines in the following categories are excluded from the calculations and constraints set forth in paragraphs B.1., and B.2., above:
 - a. Regular and secondary lines for crew positions in which there are fewer than 100 active pilots who are available for line flying; and
 - b. Until the first day of the January 2012 bid period, all regular and secondary lines for all crew positions in the B777 fleet.

C. Reserve Line Construction Limitations

In any bid period when the average BLG is less than 62 CHs (79 CHs in a 5 week bid period) in a crew position, the Company shall construct reserve lines in that crew position with a minimum of 1 less reserve day than allowed per CBA 25.D.3. For purposes of this paragraph, the calculation of average BLG for a crew position shall not include lines that are more than 16 CH (20 CH in a 5 week bid period) greater than the lowest paid regular line, system-wide.

D. BLG/RLG Protections

The Company may establish a BUW above 48 CHs (60 CHs in a 5 week bid period) in order to comply with paragraph B of this Settlement Agreement.

E. Defined Exit of CBA Section 4.A.2.b

If SAM meets or exceeds 68 CHs (85 CHs in a 5 week bid period) for two non-peak consecutive bid periods, the minimum bid period guarantee shall return to the normal limits set forth in Section 4.A.1. For purposes of this Settlement Agreement, "non-peak consecutive bid periods" shall include any bid period with the exception of the November and December bid periods. October and January shall be considered consecutive bid periods.

Additionally, if the Company hires a pilot(s) and adds the pilot(s) to the Master Seniority List, other than pursuant to a court order or arbitration award, the Company shall exit Section 4.A.2.b. effective with the first day of the bid period immediately following the Date of Hire.

Nothing in this Settlement Agreement shall restrict the ability of the Company to otherwise exit Section 4.A.2.b.

F. Resolution of Grievances 09-02 and 09-04

Upon execution of this Agreement, the Association shall withdraw the remaining portions of Grievances 09-02 and 09-04 with prejudice. This Settlement Agreement shall supersede only Parts VII.C.2. (pp. 39-41) and VII.C.3 (pp. 41-42) of the Opinion and Parts I.C. and I.D. (p. 43) of the Award and Order issued by Arbitrator LaRocco on May 27, 2010.

G. Effective Date and Duration

This Settlement Agreement is effective on the date signed and shall remain in full force and effect concurrent with the Basic Agreement.

Agreed this _____ day of _____, 2011:

First Officer Coy Briant
MEC Grievance Committee Chairman
Air Line Pilots Association

Federal Express Corporation
John D. Maxwell
Vice President, Labor Relations