



TENTATIVE 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, INT'L.

August 26, 2006

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SECTION 1

RECOGNITION, SCOPE AND SUCCESSORSHIP

A. Recognition

1. In accordance with the National Mediation Board's certification in case number R-6450 dated October 29, 1996, as transferred from the Fedex Pilots Association to the Air Line Pilots Association ("the Association") in File No. C-6762/Case No. R-6450, 29 NMB 320 dated May 29, 2002, the Company recognizes the Association as the duly authorized representative for the specific craft or class of flight deck crew members (hereinafter referred to as "pilots") of the Company covered by the Railway Labor Act ("the RLA").
2. The Company further recognizes that included in the craft or class represented by the Association in conformity with the RLA are those crewmembers on Foreign Duty Assignment ("FDA"), Special International Bid Award ("SIBA") and/or any other international assignment, domicile or location manned by pilots on the Federal Express Master Seniority List.

B. Scope, Operation of Company Aircraft

The Company's revenue flights (including Company revenue charter flights), conducted with aircraft owned, leased, or operated within the domestic or international operations described below, conducted with aircraft over 60,000 lbs. MTOGW, shall be flown only by pilots whose names appear on the Federal Express Master Seniority List in accordance with the terms of the Agreement.

1. "Domestic flights" are all those Company flights wherein all flight legs within a single pairing originate and terminate at cities located solely within the contiguous 48 states.
2. "International flights" are all Company flights which originate from, terminate in or transit the U.S. or its territories via a location outside the contiguous 48 states. International flights also include all flights conducted by any pilots on the Federal Express Master Seniority List assigned to Foreign Duty Assignment ("FDA"), or Special International Bid Award ("SIBA").
3. All Domestic and International revenue flights conducted with aircraft that are owned, leased, or operated by the Company, having a MTOGW of greater than 60,000 lbs., and operated pursuant to the Company's Airline Operating Certificate or any additional Part 121 Airline Operating Certificate obtained by the Company, shall be operated by pilots on the Federal Express Master Seniority List in accordance with the terms of the Agreement. Flying conducted with aircraft at or under 60,000 lbs. MTOGW (commonly referred to as "feeder flying") shall not be substituted for Federal Express trunk flying (over 60,000 lbs. MTOGW) so as to cause a furlough of any Federal Express pilot. However, if and to the extent that and for such period of time that the furlough is the result of an act beyond the control of the Company (e.g., FAA grounding of a fleet, etc.), feeder/wet lease flying may be used to replace lost trunk flying. The Company shall not deploy multiple feeder flying in the domestic system to effect an elimination/reduction of the overall flying of an affected aircraft type; however, the Company may use multiple feeders to assume some existing trunk flying when aircraft or lift shortages exist during high volume periods. If feeder flying is substituted for Federal Express trunk flying, any pilots who are

involuntarily exceeded as a result of such substitution (and not due to changes in fleet deployment or composition unrelated to feeder flying such as retirement/replacement of, e.g., B727 aircraft), shall not have their hourly rate of pay reduced. This hourly rate protection shall end if a junior pilot is activated into a higher paying crew position that the senior pilot could have bid upon and been awarded, but elected not to do so.

4. Notwithstanding any other provision of the Agreement, the Company may continue to interline, co-load, code-share, part charter and enter into block space agreements with other carriers to move freight and service in International (outside the contiguous 48 states) markets as required. Within the Domestic system (the contiguous 48 United States) the use of the above shall be done only: (1) when necessary to expedite or (2) when economically necessary, unless otherwise agreed to by the parties
5. At any time during the year should severe damage or destruction to a hull(s) occur the Company may utilize wet lease on a one for one basis until the lost aircraft is actually replaced in the fleet or for a period of one year, whichever is earlier.
6. The Company may also wet lease a minimum of two aircraft above 60,000 lbs. MTOGW for up to four (4) bid periods per calendar year. At least three (3) of those bid periods shall be consecutive. The Company may elect to divide the fourth bid period of wet leasing into four 7-day parts to use over the course of the year. The Company shall provide a minimum of 30 days' written notice to the Association of any such wet lease(s). The following conditions shall apply to such wet lease arrangements:
 - a. Should a wet lease operation assume flying regularly and historically performed by FedEx crewmembers, as evidenced by the FedEx bid packs, for more than two (2) bid periods in a calendar year, the Company shall pay the Association a sum of money for the period of the wet lease in excess of two (2) bid periods calculated as follows: The average pay for a Federal Express crew complement times the number of regular bid pack credit hours that would have been earned by Federal Express pilots but for the wet lease. This sum shall be calculated after the expiration of the wet lease and shall be distributed to pilots in the manner identified by the Association. Wet leases done in support of charter flying during this four month period shall not be subject to this penalty.
 - b. Except for the minimum two aircraft wet leasing referred to above, during the bid periods described in this paragraph, the Company shall not wet lease more than the net gain of trunk aircraft scheduled to be added and brought into service in any calendar year. Should, at the end of the calendar year, the Company actually bring into service fewer trunk aircraft than were scheduled and based on the schedule, the Company wet leased more aircraft than would have been permitted if the scheduled additions were the same as the actual deliveries, then the Company shall pay to the Association the same monies it would have paid the Association as calculated under 6.a. above.
 - c. Should the Company violate the four bid period restriction, the Company shall pay to the Association the following for each wet lease conducted the greater of the number of block hours scheduled or flown, times 2.0, times

the highest hourly rate for a three (3) man crew with fifteen (15) years of pay longevity, in addition to the international override, if any.

7. The Company may enter into wet lease and other agreements with other carriers at any time without penalty or payment to any pilot or the Association in order to deliver freight to cities that cannot be served by Federal Express trunk aircraft because:
 - a. The Company does not possess all the requisite regulatory authority (or what authority it does possess is in dispute with any government or any agency thereto), all traffic authority and foreign government approvals/authority, as are necessary to fly the scheduled or required route. Should the Company not possess the requisite regulatory authority at the time of the wet lease, it shall make a good faith effort to acquire that authority.
 - b. Foreign government or foreign authorities' action restricts the use of pilots on the Master Seniority List so as to render the use of FedEx pilots not economically feasible; or
 - c. An emergency exists that precludes the Company from utilizing Company aircraft. In the event the Company wet leases aircraft under this provision, the Vice President, Flight Operations, shall notify the Association and crew force through an FCIF as soon as practicable. Routine maintenance problems shall not constitute an emergency.
 - d. The utilization of pilots on the Master Seniority List is not, or does not continue to be, economically or operationally feasible given the low freight volume, treaty or regulatory restrictions on the right of the Company to move freight through or beyond certain countries or cities, or remoteness or isolation of the served city to the existing Federal Express international route structure.
8. Should the configuration of a given shipment (certain satellites, aircraft, helicopters, etc.) preclude the Company from using one of its own aircraft, then the Company may enlist the services of another carrier to handle that shipment on a sub-contract basis.
9. The Company shall notify the Association quarterly concerning all wet-leasing done during the preceding three bid periods. The Company shall identify the wet lease operator, the trip(s) flown by same, and the reason and effect on Federal Express crewmembers. The Company shall also meet with the Association on a quarterly basis to discuss wet leasing, fleet acquisition and disposal plans and to share with the Association the additional Federal Express trunk route additions/deletions it anticipates over the next quarter. A standing committee consisting of an equal number of Association & Company representatives shall meet within fifteen (15) days following the end of the calendar quarter to review and discuss these matters.

C. Parent and Affiliates

Should the parent of the Company (FedEx Corp.) or any subsidiary or Affiliate directly or indirectly controlled by the parent of the Company acquire with the intention of retaining and operating a U.S. certificated air carrier or air operation operating aircraft of over 60,000 lbs. MTOGW, then the acquired carrier's routes and operation of aircraft above the MTOGW of 60,000 lbs. shall be assumed by the pilots on the FedEx Master Seniority List. If the acquired airline is to be sold in the normal course of business, these seniority-merger provisions do not apply. If FedEx

Corp., its subsidiaries or Affiliates retain and operate the acquired airline, the assumption of the acquired flying by Federal Express Master Seniority List pilots shall take place as soon as reasonably practical after either the merger of the acquired carrier's appropriate pilots (those flying aircraft over 60,000 lbs.) into the Federal Express Master Seniority List in the manner set forth in Section 1.D.3., or in the event the pilots from the acquired carrier are not intended to be retained, then upon the final regulatory confirmation and transfer of the operating certificates to Federal Express and/or FedEx Corp.

D. Successorship

1. If another U.S. certificated airline or U.S. certificated air cargo operation acquires all or a substantial portion of the Company's air operations and as a result pilots on the Federal Express Master Seniority List are to be integrated with pilots on seniority lists at that airline or air cargo operation, the integration of pilot seniority lists shall be governed by the Association's Merger Policy if the Association represents the airline's pilots as well as the Federal Express pilots and otherwise by Section 3 and Section 13 of the Allegheny-Mohawk Labor Protective Provisions [as specified in 59 CAB 22 (1972)].
2. This agreement shall be binding upon any successor, including without limitation, any assignee, purchaser, transferee, administrator, receiver, executor, and/or trustee of the Company (hereinafter referred to as a "Successor" to the Company). Neither the Company nor its Affiliates shall consummate a Successor transaction unless the Successor agrees in writing, in advance of executing an agreement to consummate such transaction and as an irrevocable condition of the Successorship transaction, to assume and be bound by the Agreement, to recognize the Association as the representative of the Federal Express pilots and to guarantee that the pilots on the Federal Express Pilots' Master Seniority List will be employed by the Successor in accordance with the provisions of this Agreement. The Successor shall continue to recognize the Association in accordance with Section 1.A. above unless and until the National Mediation Board transfers or extinguishes the Association's certification following an operational merger. The Successor shall continue to be bound by the Agreement until the terms of the Agreement are modified in accordance with applicable law.
3. Should the Company acquire, merge, or operate another U.S. certificated airline or U.S. certificated air operation that employs pilots who operate aircraft with a MTOGW of greater than 60,000 lbs., then such pilots operating aircraft above 60,000 lbs. MTOGW scheduled to be retained, if any, shall be integrated into the Federal Express Master Seniority List.
4. While the integration of the pilot seniority lists is pending or in process the Company agrees not to divert active and existing flying done by Federal Express pilots to the acquired airline or air cargo operation. This restriction shall not preclude the Company from acting to eliminate redundancies, overlaps of routes/services or similar services/routes provided by both carriers. The Company shall, however, not cause Federal Express pilots to be furloughed, excessed or downgraded as a direct result of the elimination of these redundancies, or the discontinuance of the overlaps of route/services, or the similar service/routes, and the elimination or discontinuance of redundancies, overlaps or similar service/routes shall, to the extent operationally and

economically practical, be accomplished without an elimination of or a reduction in flights operated by pilots on the Master Seniority List.

E. Expedited Grievance and Arbitration Procedures

Any grievance alleging a violation of the provisions of Section 1 shall be filed in writing with the Vice-President, Labor Relations, within 10 days following the date on which the pilot acquired knowledge or reasonably should have acquired knowledge, of the fact(s) or event(s) giving rise to the grievance. The grievance shall be considered and a decision rendered in accordance with the provisions of Section 20 of this Agreement. The hearing before the Vice-President, Labor Relations shall be conducted within 5 business days following receipt of the grievance, and a decision shall be rendered within 5 business days of the conclusion of the hearing. If the decision of the Vice-President, Labor Relations is not satisfactory to the pilot or the Association, such decision may be appealed to the System Board in the manner set forth in Section 21. The System Board hearing shall be commenced within 30 days after the Vice President's decision, or on the earliest available date offered by the neutral arbitrator selected by the parties. The parties shall attempt to use Robert Harris as the neutral arbitrator. If Mr. Harris is unavailable, the parties shall select the neutral arbitrator from the panel of arbitrators empowered to hear administrative grievances under Section 20. The parties shall make known to the selected arbitrator the expeditious nature of this arbitration and request a decision in the matter as soon as possible.

F. Disruption of Company Business

The Company shall not lock out pilots and pilots shall not engage in, cause or support any strike or work stoppage at the Company. In the event of an existing or impending labor dispute involving other represented employees, which is or has the capability of disrupting Company flight operations, the MEC Chairman and the Vice President, Flight Operations or the System Chief Pilot shall consult about what measures, if any, were or would be appropriate for Federal Express to take in light of the situation. The Vice President, Flight Operations or the System Chief Pilot will share the result of those conversations in an FCIF to the crewforce and outline what action(s), if any, the Company will take (or has taken) concerning the possible labor dispute.

In the event of a work stoppage legally authorized under the Railway Labor Act, involving other U.S. employees of the Company, the Vice President, Flight Operations or the System Chief Pilot shall consult with the MEC Chairman concerning the nature of any possible disruptions and the expectations the Company has in light of those anticipated disruptions. Pilots shall not be required to perform work customarily done by the pilots of another U.S. certificated air cargo operation who are engaged in a lawful strike against their employer unless the Company has historically performed and provided such services on that airline's behalf. In cases where the Company has contracted to conduct training for another carrier's pilots, Federal Express pilots may refuse to train the other carrier's pilots if those pilots are strike replacements. Strike replacement pilots are those pilots who are being trained to replace the carrier's current striking pilots or those pilots (from the other carrier) in training for a new seat position when an imminent pilot strike is

threatened. Nothing in this section shall preclude the Association from engaging in self-help activities after the procedures provided by the Railway Labor Act, as amended, for changing the terms of this comprehensive collective bargaining agreement have been exhausted.

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

Sincerely,

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

SECTION 2

DEFINITIONS

1. **ACTIVATION CHECK**
The initial line check, conducted by an SCA after the IOE Phase Check, which must be successfully completed to activate in a Captain crew status and complete Captain IOE. Notwithstanding Section 3.B.2.a., if a pilot successfully completes his activation check, he will be paid for the trip containing the activation check at his new captains pay rate.
2. **ACTIVATION DATE**
The date a pilot is released from training upon certified completion of IOE or, if training is not required, then on a date specified for activation by the Company.
3. **ACTIVE PAY STATUS**
The pay status of an active pilot.
4. **ACTIVE PILOT**
A pilot other than a pilot on disability, furlough, leave of absence or disciplinary suspension.
5. **ACTUAL BLOCK HOURS (ABH)**
Actual time computed in hours and minutes from block-out to block-in.
6. **ACTUAL CREDIT HOURS (ACH)**

On DOS through the end of the December, 2007 bid period, ACH shall be as follows:

ACH is computed at the completion of an assignment.

- a. ACH for a duty period is the highest of:
 - i. MPDP; or
 - ii. actual block hours; or
 - iii. actual duty rig.
- b. ACH for a trip is the higher of:
 - i. trip rig as actually flown, plus revenue block hours in excess of 10 in any duty period, plus duty rig for the portion of any duty period beyond the scheduled on duty limitations; or
 - ii. the sum of ACH for each duty period.

Beginning with the January, 2008 bid period, ACH shall be as follows:

6. **ACTUAL CREDIT HOURS (ACH)**
ACH is computed at the completion of an assignment.
 - a. ACH for a duty period is the highest of:
 - i. MPDP; or
 - ii. actual block hours; or
 - iii. actual duty rig.
 - b. ACH for a trip is the higher of:
 - i. trip rig as actually flown, plus actual revenue block hours in excess of 8 in any duty period, plus duty rig for the portion of any duty period beyond the scheduled on duty limitations; or
 - ii. the sum of ACH for each duty period.
7. **AFFILIATE**
The term "Affiliate" refers to (a) any entity that Controls the Company or any entity that that Company Controls, and/or (b) any other corporate subsidiary, parent, or entity Controlled by or that Controls any entity referred to in (a) above. The term shall include, but not be limited to, FedEx Corporation, FedEx Ground Package System, Inc., FedEx Custom Critical, Inc., FedEx Trade Networks, Inc., FedEx Freight Corporation, FedEx Kinko's Office and Print Services, Inc., and FedEx Corporate Services, Inc.
8. **AGREEMENT**
The term "Agreement" means the collective bargaining agreement between the Company and Association effective October 30, 2006, and all letters of agreement and interpretations that remain as part of the Agreement by operation of Section 31.A. This definition does not apply to the use of the term, "Agreement," in paragraph headings and section titles.
9. **AIR CARRIER**
The term "Air Carrier" means any common carrier by air.
10. **ASSIGNED**
A pilot is considered to have been assigned to an activity when he receives notice of his responsibility for that activity from the appropriate FedEx personnel or through the VIPS notification system.
11. **BASE**
An aircraft specific operational work location (FDA, temporary vacancy or domicile).
12. **BLOCK-IN**
The moment that an aircraft comes to a complete rest in the blocks.
13. **BLOCK-OUT**
The moment that an aircraft first moves from the blocks for the purpose of flight or repositioning on the airport (including push back or tow).
14. **CAPTAIN**
A pilot, designated by the Company, to command an aircraft, and who has authority over all crew members and passengers for the purpose of operating that aircraft.

15. **CARRYOVER**
A trip or block of R-days scheduled to begin in one bid period and end in the next.
16. **CASE IN CHIEF**
The evidence presented by a party in the primary presentation of its case. The term does not include evidence used on cross examination or in rebuttal
17. **COMPANY**
Federal Express Corporation, a Delaware corporation, and its successors and assigns.
18. **COMPANY AIRCRAFT**
The term "Company Aircraft" refers to Company trunk aircraft that are not Feeder Aircraft. The term "Company Aircraft" also shall not include corporate jets used primarily for the transportation of the Company or Affiliate personnel and not freight. Company Aircraft shall include aircraft owned, leased, or otherwise operated by the Company.
19. **CONSENSUS OF TRAINING REVIEW BOARD (TRB)**
The voluntary agreement of all members of the TRB. It does not require that all members believe that a particular recommendation is the most desirable solution, but that the result falls within each member's range of acceptable solutions for that matter. The members of the TRB shall strive to reach consensus on any matter within their discretion.
20. **CONSULT**
To consider and take input from before implementation but not requiring agreement, approval, or consensus.
21. **CO-TERMINAL**
Two or more airports in a specific grouping recognized as "co-terminals" in the Official Airline Guide (OAG).
22. **CREDIT HOUR (CH)**
A unit, expressed in hours and minutes, used to calculate the value of an activity for purposes of pilot pay.
23. **CREW POSITION**
A specific crew seat, in a specific aircraft type, at a specific domicile (e.g., Captain MD-11 MEM; First Officer A-300 MEM).
24. **CREW SEAT**
Crew seat means Captain, First Officer or Second Officer.
25. **CREW STATUS**
A specific crew seat, in a specific aircraft type (e.g., Captain A-300; First Officer MD-11).
26. **DATE OF HIRE**
The first day of initial new hire training/basic indoctrination completed by a new hire pilot.

27. DAY
A 24:00 hour period of time, stated in local base time, specific to each base. A day is also referred to as a local base day.
28. DEADHEAD (DH)
Travel scheduled by the Company to position a pilot.
29. DEPENDENTS
Dependents are individuals listed in the January 1998 Your Employee Benefits book as dependents eligible for health care coverage.
30. DIFFERENCES TRAINING
The training required for a pilot who has qualified in a crew status, when such training is necessary before a pilot serves in the same crew status on a particular version of that airplane.
31. DOMICILE
An airport or co-terminal airports, designated by the Company, to which pilots are permanently assigned. A domicile is aircraft and base specific. A pilot's base is his domicile, except for pilots assigned to an FDA or temporary vacancy.
32. DUTY PERIOD
A period of time a pilot is scheduled to be on duty or is actually on duty during a trip or airport standby.
33. EMERGENCY
The term "Emergency" shall include a situation beyond the Company's Control as well as a situation or occurrence of a serious nature, developing suddenly and unexpectedly, and demanding immediate action.

A situation is "Beyond the Company's Control" can include: (1) an act of God, (2) a strike by any other Company employee group, (3) a national emergency, (4) revocation of the Company's operating certificate(s), (5) unexpected grounding of the Company's aircraft, or (6) a governmental or commercial action imposed on the Company which substantially reduces or inhibits the Company's operation or ability to operate its air fleet, or portion thereof.
34. EXPEDITED FREIGHT
The term "Expedited Freight" shall mean freight that exceeds the volume that can be shipped on the Company's scheduled aircraft from a given airport location, or is available to be shipped after the Company's aircraft has departed or freight that has arrived after a sort.
35. FEEDER AIRCRAFT
The term "Feeder Aircraft" shall mean aircraft with a maximum certificated gross takeoff weight not in excess of 60,000 pounds.
36. FILE/ISSUE
A document shall be deemed "filed" or "issued," as applicable, on the day in which the document is postmarked, or if Federal Express is used, on the day in which the document is submitted to the Company for shipment.

37. **FIRST OFFICER (F/O)**
A pilot who is second in command of a Company aircraft and, in the absence or incapacitation of the captain, has the authority over all crew members and passengers for the purposes of operating that aircraft.
38. **FLEX ASSIGNED TRAINING BASE**
An operational work location during pay only months for flex instructor/PCA and/or SCA which may be different than his flying base by mutual consent of the pilot and the Company.
39. **FLIGHT OR FLIGHT SEQUENCE**
A flight segment or series of flight segments, uninterrupted by a legal rest period.
40. **FLIGHT SEGMENT**
A single flight leg between block-out and block-in.
41. **FOREIGN DUTY ASSIGNMENT**
An assignment of a pilot to a base outside the United States, or its territories, designated by the Company, for greater than 3 bid periods. A pilot holding an FDA shall be permanently domiciled in MEM.
42. **FUNCTION:**
A subroutine in pairing generation software designed to accomplish a particular task. Some functions have variable settings that allow the user to adjust the influence they have on a particular pairing solution.

Example:
“Cie global soft credit max per position” is a function designed to control the amount of flying assigned to a particular base. It is colloquially referred to as the “base constraint” function.
43. **FURLOUGH**
A method for reducing the number of active pilots.
44. **LAYOVER**
A period of time during a trip, starting at release and ending at showtime, which contains a legal rest period.
45. **LEGAL REST PERIOD**
A period of time established prior to release, uninterrupted by the Company, during which a pilot is free from all duty. A pilot's legal rest period shall begin when released from duty.
46. **LEGAL RESTRICTIONS**
Limitations imposed as a result of regulated age restrictions, FAA medical restrictions or other aviation-related restrictions imposed by law or regulation.
47. **LINE OPERATIONAL EVALUATION (LOE)**
An evaluation/qualification event conducted in a simulator using a line operational flight scenario.
48. **LINE OPERATIONAL FLIGHT TRAINING (LOFT)**
A training or evaluation/qualification event conducted in a simulator using a line operational flight scenario.

49. LOCAL BASE TIME (LBT)
The local time (standard or daylight savings) at a pilot's base.
50. LONGEVITY YEAR GROUP
For pay purposes, a pilot's full years of longevity plus one (e.g., a pilot earns the fifth year hourly rate when he has completed 4 years of active service).
51. MANEUVERS VALIDATION
A fixed maneuvers validation event conducted in a simulator administered by a PCA/SCA.
52. MATERNITY PERIOD
A pilot's maternity period begins on the date of pregnancy and extends through 120 days following the date of the end of the pregnancy.
53. NEGATIVE BID PERIOD REPORT
A report indicating that no revenue flying was performed by pilots other than line pilots during a particular bid period.
54. OFF SITE TRAINING (As applied to instructors)
Any training conducted at a location other than a flex instructor/PCA's/SCA's base or Flex Assigned Training Base.
55. OFF SITE TRAINING (As applied to students)
Any training conducted at a location other than a pilot's base.
56. OPEN TIME
A trip or base standby period which is or becomes unassigned for any reason.
57. OPERATION IN THE CRITICAL PERIOD
Operation during any part of the critical period as an operating (i.e., required as part of the crew, not deadheading) crewmember.

This definition shall take effect beginning with the January, 2008 bid period:

58. OVERRIDE SCHEDULED CREDIT (OSC)

OSC for a trip is the higher of:

- a. trip rig as scheduled, plus actual revenue block hours in excess of 8 in any duty period; or
- b. The sum of the scheduled credit hour values of the duty periods. The scheduled credit hour value of each duty period is computed as the highest of:
 - i. minimum pay per duty period (MPDP); or
 - ii. block hours; or
 - iii. duty rig.

59. PARAMETER

For purposes of this subsection, a parameter is a rule, used in the SIG process and identified as a parameter, regarding the construction of pairings or lines.

Example:

“Maximum block per duty period” is a domestic parameter. Its current value is 7:35.

60. PASSOVER PAY

An hourly rate of pay which is higher than the hourly rate of pay a pilot otherwise would earn and to which such pilot may be entitled as a result of a junior pilot's activation out of seniority order.

61. PHASE CHECK

The check ride/qualification event(s) in each phase of Initial, Transition, and Upgrade training.

62. PILOT

A Captain, First Officer or Second Officer covered by this Agreement, employed by the Company, and whose name appears on the Master Seniority List.

63. PROFICIENCY CHECK (PC) ITU/LINE OPERATIONAL EVALUATION (LOE) /MANEUVERS EVALUATION (ME)

A check ride/qualification event which shall be conducted by a PCA/SCA or the FAA. Maneuvers are specified in applicable FARs, AQP documents and the FOTM. Maneuvers may be reaccomplished but no training may be conducted.

64. PROFICIENCY CHECK (PC) RECURRENT/CONTINUING LINE OPERATIONAL EVALUATION (CLOE) /RECURRENT MANEUVERS EVALUATION (RME)

A check ride/qualification event to maintain or reestablish a pilot's qualification in a crew status which shall be conducted by a PCA/SCA or the FAA. Maneuvers are specified in applicable FARs, AQP documents and the FOTM. Maneuvers may be reaccomplished and training may be conducted. If conducted in a flight simulator for a pilot in a qualified status, the evaluation shall be preceded by a warm-up simulator period.

65. PROFICIENCY TRAINING (PT) /CONTINUING MANEUVERS VALIDATION (CMV)

A check ride/qualification event to maintain or reestablish a pilot's qualification in a crew status which shall be conducted by a PCA/SCA or the FAA. Maneuvers are specified in applicable FARs, AQP documents and the FOTM. There are no limits to the number of maneuvers which may be reaccomplished and training that may be conducted within the event, but proficiency in all maneuvers must be achieved.

66. REGULATED AGE

The age at which FARs do not permit a pilot to continue flying as a Captain or First Officer.

67. RELIEF FLIGHT OFFICER (RFO)

A pilot who is assigned to serve as a third pilot in a 2-pilot cockpit crew. The RFO's primary responsibility is to assist the Captain and First Officer and while aloft, relieve the Captain and First Officer for the purpose of obtaining rest during the cruise portion of a flight(s).

68. REQUESTS/PREFERENCES

Requests and preferences (e.g., for trips to be dropped to satisfy minimum day off protection) shall be processed in the sequence provided in the Agreement, and shall be granted or denied based on objective criteria which may be specific to the particular request.

69. SECOND OFFICER (S/O)

A pilot who is third in command and who assists the Captain and First Officer in operating and monitoring aircraft systems.

70. SERIES OF TRIPS

A combination of trips that are not separated by a legal rest period.

71. SETTING:

The particular value at which a variable function is fixed for a given solution.

Example:

For February 2006, the base constraint setting for ANC MD-11 CAP was 217 CH/day.

72. SHOWPAY

Credit hours to which a pilot may be entitled as a result of his removal from an assignment. A pilot shall be deemed removed from his assignment when he is actually notified of his removal, or when the Company has made reasonable efforts to notify him, whichever occurs first.

73. SHOWTIME

The time a pilot is scheduled to report for duty.

74. SPECIAL INTERNATIONAL BID AWARD (SIBA)

A bidding status in which pilots bid for certain specified international flying.

75. STANDBY SEQUENCE

A standby sequence is defined when a pilot's trip is awarded/assigned. A standby sequence is the period of time starting at the beginning of a standby, and ending at the scheduled departure of the next scheduled flight activity (revenue flight or deadhead), in the trip, as awarded/assigned.

76. SUBMISSIONS

1. Except as provided in 2., below, submissions (e.g., for bid line adjustments) shall be processed in the order specified in the Agreement and shall be granted or denied based on uniformly applied, objective criteria, material aspects of which shall be supplied to the Association in writing prior to implementation, including any subsequent changes.
2. No bid line adjustment submission shall be unreasonably denied; however, with the approval of the Vice President, Flight Operations or the System Chief Pilot, a bid line adjustment submission may be denied for reasons other than those under item 1. In such cases, the denial shall be reported to the Association within 3 days and shall specify the reasons for the denial.

77. SYSTEM BOARD OF ADJUSTMENT

The legal proceeding used for resolving disputes growing out of grievances (including discipline under Section 19) or out of the interpretation or application of this agreement in accordance with Section 204 of the Railway Labor Act, 45 U.S.C. Section 184.

78. TEMPORARY VACANCY

The temporary reassignment of a pilot to a base other than his permanent base, for three bid periods or less.

79. TIME AWAY FROM BASE (TAFB)

The total hours and minutes a pilot is away from his base, beginning at showtime and ending upon release at his base at the conclusion of his trip

80. TIME ZONE DIFFERENTIAL (TZD)

The number of hours difference between the time zone in which a duty period begins and the time zone in which it ends.

81. TRAINING FOR PROFICIENCY EVENT

An event to establish, maintain or demonstrate a pilot's proficiency in which end level proficiency is not required in order to progress (e.g., WU). The type and number of maneuvers shall be tailored to the specific objectives. Training may be conducted by any qualified instructor. There are no limits to the number of maneuvers which may be reaccomplished and the training that is conducted within the allotted time/event.

82. TRAINING TO PROFICIENCY EVENT

A training event to maintain or demonstrate a pilot's proficiency in which end level proficiency is required in order to progress (e.g., PT). The type and number of maneuvers shall be tailored to the specific objectives of the training. Training may be conducted by any qualified instructor. There are no limits to the number of maneuvers which may be reaccomplished and training that may be conducted within the allotted time/event.

83. TRAINING TO PROFICIENCY PHILOSOPHY

It is recognized that all pilots do not learn at the same rate and there may be disparities in the experience level and background of pilots entering the same course. Training may be extended beyond planned hours in all phases of ITU and in requalification training, by the TRB, if there is consensus that reasonable progress is being made and there is a likelihood of success.

84. TRAINING REVIEW BOARD (TRB)

A board established by the Association and the Company for the purpose of reviewing and making decisions and, where appropriate, referrals and recommendations concerning training. The TRB shall be comprised of two members each from the Association and the Company. The TRB members shall consist of the MEC Training Committee Chairman, the Human Performance Group Chairman, the Company's Managing Director of Flight Training and the Managing Director of Flight Standards. If any of the Company's members are not on the Federal Express Pilots' Master Seniority List, the Company will appoint a TRB member who is a Federal Express Pilots' Master Seniority List holder. The Association or the Company may appoint a substitute TRB member(s) in any particular case. When dealing with situations involving individual pilots, the TRB shall be governed by a train to proficiency philosophy. Individual pilots will be dealt with on a case by case basis, without regard to past precedent. If reasonable progress is being made and there is reason to believe the pilot will ultimately be successful, training is usually extended. The overall goal of the TRB is the continuing improvement and quality assurance of the Company's training program. The TRB shall make its decisions and recommendations based on consensus.

85. TRIP

A series of flights normally commencing 1 hour prior to scheduled or rescheduled departure time from a pilot's base and normally terminating 30 minutes after actual block-in at his base, except as provided in Section 12.A.6. (Operational Trip Return to Base) and 12.B.3. (Standby).

86. TRIP DAY

A day on which any portion of a trip is scheduled to operate.

SECTION 3

COMPENSATION

A. New Hire Compensation

A new hire pilot shall receive a salary of two-thousand dollars per month until his first actual activation date.

1. If a new hire pilot's date of hire is other than the first day of a month, his first month's salary shall be prorated.
2. If a new hire pilot is activated on any day other than the first day of a month, his salary (i.e., \$2,000 per month), shall be prorated based on the number of days in that month prior to activation.

B. Longevity and Crew Status

A pilot's hourly rate of pay shall be based on his longevity year group and crew status, except as described in Section 3.A. (above).

1. Longevity

- a. The longevity of a pilot employed by the Company as a pilot prior to the effective date of this Agreement shall be his longevity on the effective date. Longevity shall continue to accrue following the effective date except as otherwise provided for in this Agreement.
- b. A pilot employed by the Company on or after the effective date of this Agreement shall accrue longevity beginning on his date of hire as a pilot. Longevity shall continue to accrue following the pilot's date of hire, except as otherwise provided for in this Agreement.
- c. A pilot who changes longevity year groups after the beginning of any bid period shall be compensated at his new rate for that entire bid period.

2. Crew Status

- a. If a pilot's crew status changes, he shall receive the pay rate for his new crew status upon activation.
- b. Notwithstanding Section 3.B.2.a., a pilot whose crew seat is restricted by the FAA regulated age shall be compensated at the pay rate for his new S/O crew status on the date he reaches the regulated age.

C. Hourly Rates of Pay

1. Hourly Pay in Effect at DOS

a. Wide Body Rates of Pay

MD-11, DC-10, A-300/310

<u>Year Group</u>	<u>CAP</u>	<u>F/O</u>	<u>S/O</u>
1	\$ 185.37	\$ 56.34	\$ 54.35
2	205.94	127.84	82.21
3	206.36	128.01	97.03
4	207.19	130.57	109.83
5	208.00	133.19	112.58
6	208.84	135.85	115.39
7	209.68	138.56	118.27
8	210.52	141.33	121.23
9	211.35	144.15	124.26
10	213.79	148.19	127.98
11	216.25	152.34	131.82
12	218.74	156.60	135.78
13	220.38	157.40	136.13
14	222.58	158.18	136.46
15	224.80	159.37	136.80

b. Narrow Body Rates of Pay
B-727

<u>Year Group</u>	<u>CAP</u>	<u>F/O</u>	<u>S/O</u>
1	\$ 157.13	\$ 54.35	\$ 54.35
2	174.62	104.77	69.72
3	175.50	109.03	82.48
4	176.47	111.42	93.82
5	177.45	113.87	96.17
6	178.42	116.39	98.57
7	179.39	118.94	101.03
8	180.40	121.56	103.56
9	181.38	124.23	106.14
10	183.46	128.70	110.40
11	185.57	133.35	114.82
12	187.70	138.15	119.40
13	189.58	138.83	119.70
14	191.48	139.52	120.00
15	193.78	140.22	120.30

2. Hourly Pay in Effect at DOS + 1 year

a. A-380

<u>Year Group</u>	<u>CAP</u>	<u>F/O</u>
1	\$ 204.29	\$ 62.10
2	226.98	140.88
3	227.42	141.08
4	228.35	143.91
5	229.25	146.79
6	230.16	149.71
7	231.10	152.71
8	232.02	155.77
9	232.92	158.88
10	235.62	163.32
11	238.33	167.89
12	241.08	172.60
13	242.87	173.47
14	245.29	174.34
15	247.76	175.64

b. Wide Body Rates of Pay

MD-11, DC-10, A-300/310

<u>Year Group</u>	<u>CAP</u>	<u>F/O</u>	<u>S/O</u>
1	\$ 190.93	\$ 58.03	\$ 55.98
2	212.12	131.67	84.67
3	212.55	131.85	99.94
4	213.40	134.49	113.12
5	214.24	137.18	115.95
6	215.11	139.92	118.85
7	215.97	142.72	121.81
8	216.84	145.57	124.87
9	217.69	148.48	127.99
10	220.21	152.63	131.82
11	222.73	156.91	135.78
12	225.30	161.30	139.85
13	226.99	162.12	140.21
14	229.26	162.93	140.55
15	231.55	164.15	140.90

c. Narrow Body Rates of Pay
B-727

<u>Year Group</u>	<u>CAP</u>	<u>F/O</u>	<u>S/O</u>
1	\$ 161.85	\$ 55.98	\$ 55.98
2	179.86	107.91	71.81
3	180.77	112.30	84.95
4	181.77	114.76	96.63
5	182.78	117.29	99.06
6	183.77	119.88	101.53
7	184.77	122.51	104.06
8	185.81	125.20	106.67
9	186.82	127.95	109.33
10	188.96	132.56	113.71
11	191.14	137.35	118.27
12	193.33	142.29	122.98
13	195.27	143.00	123.29
14	197.22	143.71	123.60
15	199.59	144.42	123.91

3. Hourly Pay in Effect at DOS + 2 years

a. A-380

<u>Year Group</u>	<u>CAP</u>	<u>F/O</u>
1	\$ 210.42	\$ 63.96
2	233.79	145.11
3	234.25	145.31
4	235.20	148.23
5	236.12	151.19
6	237.07	154.20
7	238.03	157.29
8	238.98	160.44
9	239.91	163.64
10	242.69	168.22
11	245.48	172.93
12	248.31	177.78
13	250.16	178.68
14	252.65	179.57
15	255.19	180.90

b. Wide Body Rates of Pay

MD-11, DC-10, A-300/310

<u>Year Group</u>	<u>CAP</u>	<u>F/O</u>	<u>S/O</u>
1	\$ 196.65	\$ 59.77	\$ 57.66
2	218.49	135.62	87.21
3	218.93	135.81	102.94
4	219.80	138.52	116.52
5	220.67	141.30	119.43
6	221.56	144.12	122.41
7	222.45	147.00	125.47
8	223.34	149.94	128.61
9	224.22	152.93	131.83
10	226.81	157.21	135.77
11	229.41	161.62	139.85
12	232.06	166.14	144.05
13	233.80	166.98	144.42
14	236.13	167.81	144.77
15	238.49	169.07	145.13

c. Narrow Body Rates of Pay
B-727

<u>Year Group</u>	<u>CAP</u>	<u>F/O</u>	<u>S/O</u>
1	\$ 166.70	\$ 57.66	\$ 57.66
2	185.25	111.15	73.96
3	186.19	115.67	87.50
4	187.22	118.21	99.53
5	188.26	120.81	102.03
6	189.29	123.48	104.57
7	190.32	126.18	107.18
8	191.38	128.96	109.87
9	192.42	131.79	112.61
10	194.63	136.53	117.12
11	196.87	141.47	121.81
12	199.13	146.56	126.67
13	201.13	147.29	126.99
14	203.14	148.02	127.31
15	205.58	148.76	127.63

4. Hourly Pay in Effect at DOS + 3 years

a. A-380

<u>Year Group</u>	<u>CAP</u>	<u>F/O</u>
1	\$ 216.73	\$ 65.88
2	240.80	149.46
3	241.27	149.67
4	242.26	152.68
5	243.21	155.72
6	244.18	158.83
7	245.18	162.01
8	246.15	165.25
9	247.11	168.55
10	249.97	173.26
11	252.85	178.11
12	255.76	183.11
13	257.67	184.04
14	260.23	184.95
15	262.84	186.33

b. Wide Body Rates of Pay

MD-11, DC-10, A-300/310

<u>Year Group</u>	<u>CAP</u>	<u>F/O</u>	<u>S/O</u>
1	\$ 202.55	\$ 61.57	\$ 59.39
2	225.04	139.69	89.83
3	225.49	139.88	106.03
4	226.40	142.68	120.01
5	227.29	145.54	123.01
6	228.21	148.44	126.09
7	229.13	151.41	129.23
8	230.04	154.43	132.47
9	230.95	157.52	135.78
10	233.62	161.93	139.84
11	236.30	166.46	144.05
12	239.02	171.12	148.37
13	240.81	171.99	148.75
14	243.22	172.85	149.11
15	245.65	174.15	149.48

c. Narrow Body Rates of Pay
B-727

<u>Year Group</u>	<u>CAP</u>	<u>F/O</u>	<u>S/O</u>
1	\$ 171.71	\$ 59.39	\$ 59.39
2	190.81	114.49	76.18
3	191.77	119.14	90.13
4	192.83	121.75	102.52
5	193.91	124.43	105.09
6	194.97	127.18	107.71
7	196.03	129.97	110.40
8	197.12	132.83	113.16
9	198.19	135.75	115.99
10	200.47	140.63	120.63
11	202.78	145.72	125.47
12	205.10	150.96	130.47
13	207.16	151.71	130.80
14	209.24	152.46	131.13
15	211.75	153.22	131.46

D. International Override

1. A pilot who blocks out (as a required crewmember, deadheading crewmember, SCA or LCA), on a flight segment that originates from, arrives at a destination of, or makes an intermediate stop at a location outside the contiguous 48 states, shall earn international override for the trip containing that flight segment. A pilot who shows for a standby in a location outside the contiguous 48 states shall also earn international override for that standby, regardless of whether he blocks out on any flights.
2. International override shall be paid in addition to all other compensation for a trip. International override shall be paid for trip guarantee and overage credit hours earned for that trip as follows:
 - a. Captain \$ 9.00 per hour
 - b. Relief Flight Officer \$ 7.00 per hour
 - c. First Officer \$ 7.00 per hour
 - d. Second Officer \$ 6.00 per hour

E. Checks

1. Pilots shall be paid by checks issued on the 15th and last days of each month.
 - a. The check issued on the 15th day of the month shall contain:
 - i. one-half of a new hire pilot's monthly salary; or
 - ii. one-half of a pilot's BLG/RLG as awarded, adjusted for phase-in; and
 - iii. debits for compensation previously received but not earned (e.g., OTP, drop, no-show); and
 - iv. credits for compensation earned above BLG/RLG from the previous bid period but not yet received; (e.g., make-up, overage); and
 - v. per diem earned in the previous bid period; and
 - vi. adjustments or reimbursements to the Company for other overpayments or underpayments. If an adjustment, other than an adjustment described in Section 3.E.1.a.iii., would reduce the pilot's check by 25% of his gross compensation or more, the adjustment may be made in a single lump sum, or in installments of 25% of the overpayment, at the pilot's option; provided, however, that:
 - (a) the pilot shall be given prior notice of any such adjustments; and
 - (b) any adjustment shall not exceed 25% of gross amount of the pilot's check without the pilot's consent; and
 - (c) the limits contained in this paragraph shall not apply to deductions the Company is required by law to make; and
 - (d) any adjustment shall not exceed the maximum adjustment permitted by law.
 - b. The check issued on the last day of the month shall contain the remaining one-half of his awarded BLG/RLG, adjusted for phase-in (25.F.) and any other required deductions as described in Section 3.E.1.a. (above).
2. A pilot may request automatic bank deposit of his payroll checks.

SECTION 4

MINIMUM GUARANTEES AND OTHER PAY PROVISIONS

A. Minimum Bid Period Guarantee

1. A pilot shall have the following minimum bid period guarantee, except as provided in Section 4.A.2. through A.5. (below):
 - a. 68 CH in a 4-week bid period.
 - b. 85 CH in a 5-week bid period.
2. Change to Minimum Bid Period Guarantee
 - a. A pilot's minimum bid period guarantee shall be reduced by the net number of CH by which the pilot's actual credit hour compensation for a bid period is less than his BLG/RLG as a result of activities being dropped from his awarded line with reduced pay or without pay.

Examples of reduced pay include: trips dropped and trip traded down to a lesser value.

Examples of trips dropped without pay include: pilot requested drops, phase-in conflict, transition to inactive pay status, emergency drop and disciplinary suspension.
 - b. The minimum bid period guarantee shall be reduced to a minimum of 48/60 CH before any pilot is furloughed. At least a full bid period must follow the announcement of this action. This provision shall only be used to prevent or delay a furlough.
3. A pilot who is in an inactive pay status during an entire bid period shall not have a minimum bid period guarantee for such bid period.
4. When a pilot returns to active pay status during a bid period for which he was not awarded a bid line (e.g., Section 25.I.1.a., Custom lines), his minimum bid period guarantee shall be prorated based on the number of days in which the pilot is in active pay status during that bid period.
5. A new hire pilot covered by Section 3.A., shall not have a minimum bid period guarantee. When he is activated into his first crew position following initial new hire training, his minimum bid period guarantee shall be prorated based upon the number of days in the bid period following his activation.

B. Bid Line Guarantee (BLG)

A pilot who is awarded a regular line shall have a BLG equal to the total of the trip guarantees for all trips on the line, excluding that portion of the CH of a carryover trip allocated to the next bid period as provided in Section 4.G. (below). Prior to any adjustments, however, a BLG shall not be less than the minimum bid period guarantee as provided in Section 4.A.1. (above). If the sum of trip guarantees for trips on a pilot's regular line is less than the minimum bid period guarantee, such pilot's BLG shall be increased to the minimum bid period guarantee.

C. Reserve Line Guarantee (RLG) and R-Day Value

A pilot who is awarded a reserve line shall have an RLG equal to the value of an R-day multiplied by the number of R-days scheduled on a reserve line for the bid period package (i.e., up to a maximum of 15 or 19 days). The value of an R-day

shall be determined by dividing 96% of the average BLG for regular lines published in the bid period package by the number of R-days scheduled on a reserve line for the bid period package and then rounding that amount to the nearest minute. Prior to any adjustments, however, an RLG shall not be less than the minimum bid period guarantee as provided in Section 4.A.1. (above).

D. Mini-RLG

If a pilot's schedule has both trips and R-days in the same bid period, (i.e., secondary, conversion or custom line or carryover R-days), the following shall apply:

1. The value of all such R-days shall comprise a mini-RLG. Credit hour accrual for assignments on such R-days shall be the same as for a regular RLG.
2. CH earned prior to an R-day shall apply toward reserve leveling.
3. CH earned in reserve status in excess of a pilot's mini-RLG shall be paid in addition to his BLG as provided in Section 4.H.7. (100% up to RLG, 150% for CH over RLG).

E. Secondary, Conversion and Custom Line Guarantee

1. Secondary Line Guarantee

Once constructed, a secondary line shall have a BLG or RLG as follows:

- a. A secondary line comprised entirely of trips shall have a BLG computed as provided in Section 4.B. (above).
- b. A secondary line comprised of trips and R-days shall have a BLG equal to the sum of the trip guarantees (for trips scheduled on the line) and R-day values (for R-days scheduled on the line). Prior to any adjustments, however, the BLG shall not be less than the minimum bid period guarantee (as provided in Section 4.A.1.). The CH of a carryover trip shall be allocated between bid periods as provided in Section 4.G. (below). The CH of a carryover R-day(s) shall be allocated to the subsequent bid period.
- c. A secondary line comprised entirely of R-days shall have an RLG computed as provided in Section 4.C. (above).

2. Conversion Line Guarantee

A pilot whose awarded reserve line is changed to a conversion line shall have a BLG as follows:

- a. If the reserve line is converted at the pilot's request, he shall have a BLG computed as provided in Section 4.E.1.a. or E.1.b., (above), as applicable.
- b. If the reserve line is converted by inverse seniority, the pilot's BLG shall be equal to the greater of BLG for the converted line, computed as provided in Section 4.E.2.a., (above), or the RLG for the line prior to conversion.

3. Custom Line Guarantee

- a. If a pilot is assigned a custom line, (as described in Section 25.I.), and he does not otherwise have a BLG/RLG for the bid period, he shall have a BLG/RLG for his custom line computed as provided in Section 4.B., C. or E.1.b., as applicable. Prior to any adjustments, however, the minimum bid period guarantee shall not be less than the minimum BLG/RLG prorated as provided in Section 4.A.4. (above).
- b. If a pilot is assigned a custom line, (as described in Section 25.I.), and he has a BLG/RLG for the bid period (e.g. pay only line), his BLG/RLG for the

bid period shall be the greater of his original BLG/RLG or the BLG/RLG for his assigned custom line computed as provided in Section 4.E.3.a. (above).

F. Trip Guarantee

1. A pilot's trip guarantee shall be the scheduled credit hour (SCH) value of the trip when the trip is awarded/assigned to the pilot (e.g., bid award, trip trade, open time assignment) or when the pilot blocks out on the trip, whichever is greater. The credit hour (CH) value for a trip is computed as the higher of:
 - a. Trip rig, plus revenue block hours in excess of 10 hours in any duty period; or
 - b. The sum of the credit hour values of the duty periods. The credit hour value of each duty period is computed as the highest of:
 - i. minimum pay per duty period (MPDP); or
 - ii. block hours; or
 - iii. duty rig.
2. Computation of Credit Hour Values
 - a. Trip Rig
Trip rig is 1 CH for each 4 hours of time away from base (TAFB), rounded to the nearest minute. Beginning with the January 2008, bid period, trip rig shall change to 1 CH for each 3.75 hours of TAFB, rounded to the nearest minute.
 - b. Minimum Pay Per Duty Period (MPDP)
A pilot may earn a maximum of 1 MPDP per duty period as follows:
 - i. MPDP-1
Duty periods during a trip, when such trip contains at least one layover, shall have an MPDP-1 of 3 CH.
 - ii. MPDP-2
A duty period comprised exclusively of a trip which departs and returns to base in the same duty period shall have an MPDP-2 of 6 CH.
 - iii. MPDP-E
A duty period which operates into and out of a designated MPDP-E sort facility shall have an MPDP-E of 6 CH when the duty period neither originated nor terminated at base.
 - iv. MPDP-F
The final duty period of a trip, which is comprised of revenue flying then deadhead to base, shall have an MPDP-F of 9 CH when:
 - (a) the flight sequence originates at a layover city; and
 - (b) operates to a designated sort facility; and
 - (c) transits such facility and operates to another city; and
 - (d) transits such city and concludes with a deadhead by air to base.
 - v. Designated Sort Facilities
For MPDP-E and MPDP-F, the designated sort facilities are MEM, IND, EWR, OAK, ORD, AFW and any additional sort facilities so designated by agreement between the SIG and the Vice President, Flight Operations. If the Company schedules FDA trips to domestic parameters as provided in Section 12.D.1.c., the primary sort facility for that FDA shall be a designated sort facility for purposes of MPDP-E and MPDP-F, on such trips.
 - c. Block Hours

Block hours are computed as 1 CH for each 1 hour from block-out to block-in computed on a minute by minute basis.

d. Duty Rig

i. Domestic Day Duty Rig

Duty rig is computed as 1 CH for each 2.0 hours on duty within a single duty period, rounded to the nearest minute, when that duty period has a showtime between the hours of 0500 and 1559 LBT.

ii. Domestic Night Duty Rig

Duty rig is computed as 1 CH for each 1.92 hours on duty within a single duty period, rounded to the nearest minute, when that duty period has a showtime between the hours of 1600 and 0059 LBT.

iii. Domestic Critical Duty Rig

Duty rig is computed as 1 CH for each 1.5 hours on duty within a single duty period, rounded to the nearest minute, when that duty period has a showtime between the hours of 0100 and 0459 LBT.

iv. International Duty Rig

Duty rig is computed as 1 CH for each 1.92 hours on duty within a single international duty period, rounded to the nearest minute.

G. Allocation of Carryover

1. Carryover R-Days

The following shall apply to carryover R-days on which no trip is assigned:

- a. Carryover R-day(s) shall have the R-day value for the bid period in which they occur.
- b. If the pilot holds a reserve line, custom line or secondary line with R-days in the second bid period, carryover R-days shall be added to the RLG for such bid period.
- c. If the pilot holds a line for the second bid period that contains no R-days, carryover R-days shall be paid in addition to the BLG for such bid period.

2. Carryover Trips

- a. The total credit hour value of a carryover trip shall be computed as a single trip as provided in Section 4.F. (Trip Guarantee).
- b. The total credit hour value for the carryover trip shall be divided between the two bid periods in which the trip occurs as follows:

i. All Trips

(a) If the trip guarantee for the carryover trip is based on trip rig, the first bid period BLG or RLG shall include trip rig for the portion of the carryover trip scheduled to occur in the first bid period; provided, however, if the last duty period of such trip begins in the first bid period, the first bid period BLG or RLG shall include full trip guarantee.

(b) If the trip guarantee for the carryover trip is based on the sum of the duty periods, the first bid period BLG or RLG shall include the sum of the credit hour values of duty periods beginning in the first bid period.

ii. Non-Reserve Trips

If the carryover trip was not a reserve trip the following shall apply:

(a) If the pilot holds a BLG in the second bid period, the remainder of trip guarantee for the carryover trip shall be added to such BLG.

- (b) If the pilot holds a BLG with mini-RLG in the second bid period, the remainder of trip guarantee for the carryover trip shall be added to such BLG, and shall not be credited toward mini-RLG or leveling.
 - (c) If the pilot holds an RLG in the second bid period, the remainder of trip guarantee shall be paid in addition to such RLG, and shall not be credited toward RLG but shall be credited toward leveling.
- iii. Reserve Trips

If the carryover trip was a reserve trip, the following shall apply:

 - (a) If the pilot holds a BLG in the second bid period, his carryover R-days shall constitute a mini-RLG for the second bid period. The remainder of trip guarantee for the carryover trip shall be credited toward mini-RLG and leveling.
 - (b) If the pilot holds a BLG with mini-RLG in the second bid period, his carryover R-days shall be added to the mini-RLG for the second bid period. The remainder of trip guarantee for the carryover trip shall be credited toward mini-RLG and leveling.
 - (c) If the pilot holds an RLG in the second bid period, the remainder of trip guarantee shall be credited toward such RLG and leveling.
- c. Notwithstanding other provisions of this paragraph, compensation for carryover trips flown in VLT/DRF/CMU status shall be paid on the 15th of the month following the bid period in which the trip originated; provided, however, that overage accrued on such trips shall be paid on the 15th of the month following the bid period in which the trip terminated.

H. Reserve Credit Hour Accrual

1. A pilot who is assigned a trip(s) or base standby in reserve status shall have the trip guarantee or standby pay credited toward his leveling and/or RLG as follows:
 - a. For leveling, trip guarantee or standby pay shall be credited upon assignment.
 - b. For RLG, trip guarantee or standby pay shall be credited when that pilot:
 - i. actually blocks out on the trip;
 - ii. shows for the standby;
 - iii. is bumped from the trip or standby; or
 - iv. is removed from the reserve assignment for sick leave in accordance with Section 14.B.5.b. (Sick Leave).
2. If a reserve pilot's R-day(s) is removed for vacation or training, other than initial, transition, upgrade (ITU) training, an R-day value shall be credited toward his leveling and RLG for each R-day removed.
3. If a reserve pilot's R-day(s) is removed with pay for jury duty, bereavement or Association business, an R-day value shall be credited toward leveling for each R-day removed.
4. If a reserve pilot is removed from a reserve trip prior to actual block-out for the reasons stated in Section 4.H.4.a. (this paragraph), his RLG shall be credited as provided in Section 4.H.4.b., H.4.c., and H.4.d.
 - a. A reserve pilot removed from a trip for the following reasons shall return to his reserve schedule:
 - i. trip canceled; (Section 25.H.2.a.)

- ii. trip revised to extend beyond R-days; (Section 25.M.1.b.)
 - iii. early show without notice; (Section 25.H.2.c.)
 - iv. weather restrictions; (Section 25.H.2.f.)
 - v. FAR or other governmental authority; (Section 25.H.2.g.)
 - vi. Contract limitations (Section 25.H.2.h.)
- b. If the pilot is removed from the trip via VIPS more than 1:30 hours prior to his scheduled showtime for an R-1.5 reserve, or more than 3 hours for an R-3, or more than 20 hours for an R-24, he shall receive no credit for that trip.
- c. If the pilot is removed from the trip via VIPS 1:30 hours or less prior to his scheduled showtime for an R-1.5 reserve, or 3 hours or less for an R-3, or 20 hours or less for an R-24, he shall be credited 3 CH showpay toward his RLG.
- d. If the pilot is removed from the trip via VIPS at or after his scheduled showtime, he shall receive 3 CH showpay toward his RLG.
- e. The VIPS information is used solely to time stamp the change in assignment. Showpay will be based upon this time stamp. Pilot availability is determined by Section 25.M.3.g.ii.
- 5. A reserve pilot shall not receive the 3 CH showpay described in Section 4.H.4.c. or H.4.d. (above), if he is removed from the trip and is assigned a trip scheduled to depart in the same duty period.
- 6. If a reserve pilot is entitled to additional compensation, as provided in Section 4.X. (FAR extension), Section 4.Z. (recall from rest), Section 4.BB.8. (reserve overage), Section 4.CC. (weather replacement), Section 12.D.11. (grid penalties), or Section 25.M.3.d.vii. (disruption for change from any RP to RP-A or RP-B+), that pay shall be compensated in addition to his BLG/RLG.
- 7. CH accrued on R-days shall be compensated as follows:
 - a. at 100% of his normal pay rate for CH earned up to the RLG for that fleet in that bid period.
 - b. at 150% of his normal pay rate for CH earned over the RLG for that fleet in that bid period.
- 8. Overage CH shall be credited to RLG or compensated in addition to BLG/RLG as provided in Section 4.BB.8.
- 9. A reserve pilot who voluntarily accepted a reserve assignment that was scheduled to extend no greater than 24 hours beyond the end of his block of R-days shall have that portion of that trip that extended beyond his scheduled block of R-days compensated at 150% in addition to RLG. The calculation of the portion of his trip to be compensated at 150% shall be done in the same manner as a carryover trip, as provided in Section 4.G.2.b.i.(a).
- I. Adjustments to BLG/RLG
 - 1. Phase-in Conflicts
 - a. If a pilot is removed from a trip(s) or R-day(s) at the beginning of a bid period due to a phase-in conflict (Section 25.F.), the value of such trip(s) or R-day(s) shall be deducted from his new bid period BLG/RLG.

- b. If a pilot is removed from a trip(s) or R-day(s) to protect minimum scheduled days off, the value of such trip(s) or R-day(s) shall be deducted from the pilot's BLG/RLG.
 - c. If a pilot is awarded a line in a "pay only" status, phase-in conflicts on such line, if any, shall be processed as provided in Section 4.I.1.a. (above).
- 2. Trip Trades and Trip Drops
 - a. If a pilot drops a trip for which he was entitled to trip guarantee, or trades a trip(s) for a trip(s) of lesser value, his BLG shall be reduced by the value of the trip dropped or by the difference in the value of the traded trips.
 - b. If a pilot trades a trip(s) for a trip(s) of higher value, his BLG shall be increased by the difference in the value of the trips.
- 3. Pay During a Jury Duty Absence

If a pilot is removed from an R-day(s), trip(s) or portion of a trip(s), as provided in Section 25.Y., (Jury Duty Absence) he shall be compensated for the portion of those activities in actual conflict with jury duty as follows:

 - a. If an R-day conflicts with jury duty, an R-day value shall be credited toward leveling and there shall be no adjustment of or credit toward his RLG.
 - b. If a trip conflicts with jury duty the pilot shall earn trip guarantee. The pilot shall be eligible for substitution on any trip days not in conflict with jury duty.
 - c. A pilot is on jury duty from initial report date until released by the court. A weekend off with jury duty on the Friday, before and again on the Monday, following is considered continuous jury duty.
- 4. Recurrent Training Pay (Other than Line Checks)
 - a. If a pilot's recurrent training is scheduled other than as provided in Section 25.C.11.d.iii.(b), the following shall apply:
 - i. When a pilot attends recurrent training on a scheduled day off, (including a day(s) off generated due to phase-in conflict), he shall be compensated 4:30 CH for each such day, in addition to BLG/RLG, except as provided in Section 4.I.7.
 - ii. If a pilot is awarded/assigned recurrent training in conflict with a trip or block of R-days, his pay shall be handled as provided in Section 4.I.1.a. (phase-in conflicts). Conflicts with blocks of R-days under this paragraph shall be handled as follows:
 - (a) If the pilot's recurrent training conflicts with a block of R-days but does not split that block (i.e., it does not leave an R-day(s) both before and after the recurrent training), then only the R-days in conflict with recurrent training shall be dropped as a phase-in conflict and the pilot shall remain responsible for the remaining R-days.
 - (b) If the pilot's recurrent training splits a block of R-days, then the entire block shall be dropped as a phase-in conflict and the pilot shall not be responsible for any of the R-days in that block.
 - iii. If a pilot receiving recurrent training is removed from a trip(s) to protect minimum scheduled days off, his pay shall be handled as provided in Section 4.I.1.b.
 - b. If a pilot's recurrent training is scheduled as provided in Section 25.C.11.d.iii.(b), the following shall apply:

- i. If a pilot is removed from a trip(s) for which he has trip guarantee, due to a conflict with recurrent training, he shall earn the trip guarantee for that trip(s). His eligibility for substitution shall be governed by Section 25.H.4.b. (Substitution).
 - ii. If a pilot receiving recurrent training is removed from a trip(s) to protect minimum scheduled days off, he shall earn trip guarantee for that trip(s). His eligibility for substitution shall be governed by Section 25.H.4.b. (substitution).
 - iii. If a pilot attends recurrent training on a scheduled day off, or on a combination of days off and trip days, the following shall apply:
 - (a) if no trip was removed due to recurrent training or minimum days off, the pilot shall be compensated 4:30 CH per day, in addition to BLG/RLG, except as provided in Section 4.I.7.
 - (b) if a trip was removed due to recurrent training or minimum days off, and the total number of training days exceeds the number of trip days removed, the excess days shall be compensated at 4:30 CH per day.
 - iv. If a reserve pilot attends recurrent training on an R-day, the R-day value shall be credited toward his leveling and RLG.
 - v. If a reserve pilot attends recurrent training on a scheduled day off the following shall apply:
 - (a) if the pilot has not waived his minimum days off protection as provided in Section 25.E.1.b., (minimum day off protection for recurrent training), an R-day shall be removed from his line and the R-day value shall be credited toward his leveling and RLG.
 - (b) if the pilot has waived his minimum days off protection, no R-day shall be removed from his line and he shall earn 4:30 CH in addition to his RLG.
 - c. A pilot who completes CBT training shall earn 3 CH for each 8 scheduled hours of that training, or portion thereof. That compensation shall be in addition to BLG/RLG.
5. Initial, Transition, Upgrade (ITU) Training Pay
- a. A pilot in ITU training for an upgrade award or an award as a result of an excess bid shall earn a minimum of his BLG/RLG, adjusted as described in Section 4.I.1., (Phase in Conflict), excluding carry-over CH. If he does not have a BLG/RLG (e.g., returning from a leave of absence), he shall be assigned a prorated RLG (4 days of work for every 7 days available) for his crew position based on the number of days he is in active pay status during the remainder of the bid period.
 - b. A pilot in ITU training for a lateral or down bid, other than a pilot who was excessed into that position, shall be awarded a line in pay only status. The pilot shall not be compensated for any carry-over CH on his pay only line.
 - c. A pilot in ITU training will only be compensated for the carryover he actually flies.
6. Requalification Training Pay
- a. If a pilot receiving requalification training does not hold a pay only line, pay for requalification training shall be as described in Section 4.I.4. (recurrent training pay), or I.5. (ITU training pay), whichever is applicable based on the extent of the training necessary to accomplish requalification.

- b. If a pilot receiving requalification training holds a pay only line, he shall be compensated as provided in Section 4.I.5. (ITU training pay).
 - c. The Company shall notify a pilot requiring requalification training, via VIPS, of a potential lapse in currency at least 14 days prior to the lapse. If the pilot does not maintain currency, the following shall apply:
 - i. trips or R-days shall be dropped due to non-currency; and
 - ii. the pilot shall be eligible for make-up for any trips or R-days dropped as a result of non-currency; and
 - iii. the pilot shall not be compensated for days spent in requalification training.
 - iv. A pilot is expected to take proactive steps to maintain currency. A pilot who makes reasonable efforts to maintain currency will not be penalized, e.g., schedules simulator and it cancels, or has trip scheduled and it cancels.
7. Pay Following Training Failure
- a. If a pilot incurs a training failure, he shall continue to receive compensation as described in Section 4.I.4., I.5. or I.6., (recurrent, ITU or requalification training) as applicable, except that he shall not be compensated for any subsequent training on a scheduled day off.
 - b. If a pilot training for a down bid award fails to complete his first training cycle, such pilot shall be compensated at his new (down bid) pay rate until he trains for and is activated into a higher paying crew position.
8. Bereavement Pay
- A pilot removed from a trip(s) or R-day(s), as provided in Section 25.Z., (Bereavement Absence), shall be compensated for the portion of such activities in actual conflict with the bereavement absence as follows:
- a. If an R-day conflicts with a bereavement absence, an R-day value shall be credited toward leveling and there shall be no adjustment of or credit toward his RLG.
 - b. If an entire trip conflicts with a bereavement absence, the pilot shall earn trip guarantee.
 - c. If a portion of a trip conflicts with a bereavement absence, the following shall apply:
 - i. the pilot shall be paid for any portion of the trip which he actually operated; and
 - ii. the pilot shall be paid for other portions of the trip that conflict with bereavement absence; and
 - iii. The remainder of trip guarantee (i.e., that part not compensated as bereavement pay, and not actually operated), if any, shall be charged to the pilot's sick bank. If the pilot requests, however, the remainder of trip guarantee, if any, will be charged to his vacation bank or may be deducted from his BLG, and be eligible for make-up.
9. Training Support Pay
- a. If a pilot occupies a crew seat in support of another pilot's simulator training (or aircraft/FTD training in lieu thereof) on an R-day, he shall be credited R-day value toward his leveling and RLG.
 - b. If a pilot, other than a pilot on an R-day, occupies a crew seat in support of another pilot's simulator training (or aircraft/FTD training in lieu thereof) he shall earn 4:30 CH in addition to his BLG/RLG. If the pilot is a

VLT/DRF/CMU pilot, such compensation shall be at 150% of his normal pay rate.

10. Military Absence

A pilot's BLG/RLG shall be reduced by the value of any trip(s) and/or R-day(s) dropped due to military obligations. Such pilot shall be eligible for make-up. A pilot is eligible to use available vacation CH to cover trip days in actual conflict with his military obligations. A pilot's use of vacation CH for military obligations shall not create a deficit in his vacation bank.

J. Effect of Line Revisions Prior to the Start of a Bid Period

If the Company revises a regular line following publication of a bid period package but prior to the close of the bidding for that bid period, the following shall apply:

1. The Company shall notify the affected pilots of the revision through VIPS and Administrative FCIF.
2. The line shall be awarded as revised at the time the bid closes.
3. The BLG for that line shall be the higher of BLG as originally published or as revised at the time the bid closes.

K. Correction of BLG/RLG Errors

1. If a line is published with a miscalculated BLG, the pilot awarded that line shall receive the higher of the published or the correctly calculated BLG, except that a pilot awarded a line with a BLG published as higher than the maximum permissible under line construction rules shall earn the highest BLG permissible under such rules.
2. The published RLG for a bid period package shall be revised to correct clerical or calculation errors.

L. Substitution

1. A pilot's substitution guarantee shall be the sum of all CH earned in substitution status (i.e., availability credits, airport hold credits, substitution base standby credits and pay for a substitution trip). A pilot shall earn trip guarantee for a substitution trip only if he blocks out on such trip. As provided in Section 25.H.3.b.ii., if a pilot's substitution window is greater than 72 hours, and the pilot chooses not to remain eligible for substitution at 4 hours after showtime of the trip that caused substitution eligibility, he shall be paid 18 CH toward trip guarantee and is eligible for OTP for the balance of trip guarantee.
2. If a pilot becomes eligible for substitution, he shall be compensated as follows:
 - a. If the pilot accepts all substitution assignments and fulfills all availability requirements (as described in Section 25.H.3.), he shall earn the greater of the trip guarantee for the original trip or substitution guarantee, provided, however, that a pilot shall not earn more than the trip guarantee for his original trip unless the value of the substitution assignments he performs (i.e., trips, standbys and airport holds) is greater than original trip guarantee; or
 - b. If the pilot forfeits trip guarantee (e.g. by refusing a substitution assignment or failing to remain available for contact), and neither accepts a reassignment trip nor enters OTP, he shall earn substitution guarantee only; or

- c. If the pilot accepts a reassignment trip, he shall earn reassignment trip pay as determined by Section 25 H.10. and Section 4.M. (below); or
 - d. If the pilot enters OTP, he shall earn compensation as determined by Section 4.N. (below); and
 - e. A pilot shall not earn both assignment trip CH and substitution availability CH during the same day of substitution eligibility.
3. If a pilot initially eligible for substitution remains available as provided in Section 25.H.3.b. through H.3.e., (availability periods), he shall receive 6 CH toward his substitution guarantee for each availability period if:
 - a. during that availability period, he was not offered a substitution trip; or
 - b. during that availability period, he did not reject a substitution trip; and
 - c. the availability period was not entirely contained within the 72 hours in which no substitution assignment can begin as provided in Section 25.H.3.b.ii.
 4. If a pilot is held for 4 hours at the airport following removal from his original or substitution trip, and does not block out on a substitution trip during that 4 hour window, he shall earn 6 CH credit toward his substitution guarantee.
 5. If a pilot forfeits trip guarantee, he shall be eligible to make-up the value of his original trip guarantee less CH earned in OTP, (if the pilot is in OTP) or his substitution guarantee (if the pilot is not in OTP).
 6. If a pilot is eligible for substitution due to recurrent training, the recurrent training pay provided in Section 4.I.4.b.iii. shall be credited toward his substitution guarantee.

M. Reassignment Trip Pay

1. If a pilot accepts a reassignment trip he shall be compensated the higher of trip guarantee for the original trip(s) calculated at 100% of his normal pay rate, or trip guarantee for the reassignment trip calculated at 125% of that rate, if:
 - a. he blocks out on the reassignment trip; or
 - b. he becomes eligible for substitution based on his reassignment trip; or
 - c. the Company removes him from his reassignment trip for operational reasons (e.g., to replace a high minimums pilot).
2. If a pilot trades his reassignment trip, he shall earn only the trip guarantee for the trip(s) assumed as a result of the trade.
3. If a pilot does not block out on a reassignment trip due to illness or injury, he shall be compensated the trip guarantee of the reassignment trip (at 100% of his normal pay rate), and his sick bank shall be charged accordingly.

N. PMU (Priority Make Up) Trip Pay

1. A pilot in OTP shall be pay protected for the trip guarantee of his original trip for the remainder of the bid period in which the trip began plus two additional bid periods. The trip guarantee for his original trip shall then be deducted from his first paycheck after the pay protection ends (and subsequent paychecks if necessary).
2. If a pilot is assigned an OTP trip, he shall earn trip guarantee.

3. CH for trips assigned in OTP status shall be compensated at 125% of the pilot's normal pay rate, except that CH earned for trips assigned in OTP status, which exceed the pilot's OTP eligibility shall be compensated at 100%.

Example:

A 12 CH trip and a 18 CH trip become eligible for substitution. The pilot holding those trips elects OTP and therefore has an OTP eligibility of 30 CH. The pilot flies a 24 CH trip in OTP status. These CH are paid at 125%. With 6 hours of OTP eligibility remaining, (and before that eligibility expires), the pilot flies a 9 CH trip in OTP status. Six of these CH are paid at 125% and the other 3 CH are paid at 100%.

O. Base Standby Pay

1. A pilot on base airport or base hotel standby shall be guaranteed minimum standby pay of an R-day value, except as provided in Section 4.O.2. (below).
2. If a pilot eligible for substitution is assigned a base stand-by, (as provided in Section 25.H.5.d.), and does not block-out on a trip, he shall be credited with 6 CH towards his substitution guarantee. If he blocks out on a trip, he shall be compensated the greater of trip guarantee for such trip or substitution availability credit.
3. If a pilot on base airport standby blocks out on a trip, he shall earn the trip guarantee for that trip, with the calculation of MPDP and duty rig beginning at showtime of the standby period.
4. If a pilot on base hotel standby blocks out on a trip, he shall earn the trip guarantee for that trip.

P. Make-Up Pay

A pilot who is assigned a make-up trip shall be compensated as follows:

1. If a pilot is assigned a make-up trip, other than make-up sick or make-up vacation, he shall earn trip guarantee.
2. Make-Up Sick (MUS), Make-Up Disability (MUD) and Make-Up Vacation (MUV)
 - a. If a pilot is assigned a MUS, MUD or MUV trip, he shall earn trip guarantee if he blocks out on such trip.
 - b. If a pilot is removed from a MUS, MUD or MUV trip prior to block-out, he shall be credited as follows:
 - i. If he is removed via VIPS more than 1:30 hours prior to his scheduled showtime, he shall receive no credit for that trip.
 - ii. If he is removed via VIPS 1:30 hours or less prior to his scheduled showtime he shall be credited with 3 CH showpay.
 - iii. If he is removed at or after his scheduled showtime, he shall be credited with 3 CH showpay.
 - iv. Notwithstanding other provisions of this paragraph, if a pilot blocks out on another MUS, MUD or MUV trip with a showtime within 4 hours of the showtime of the original trip, he shall not receive showpay for the first trip.
 - c. If a pilot is removed from a MUS, MUD or MUV trip prior to block-out due to sick leave, he shall not earn any CH for that trip and no deduction shall be made from his sick leave account.

Q. Volunteer (VLT), Draft (DRF), and Compensatory Make-Up (CMU) Pay

A pilot who is notified of a VLT trip or has accepted a DRF trip shall be compensated as follows:

1. Except as provided in Section 12.C.2.c.iii., (taxi/air turn back to base), and Section 8.C.1.f.iii., (deviation trip schedule change), if a pilot blocks out on a VLT/DRF trip, he shall earn trip guarantee at 150% of his normal pay rate and overage, if any, as provided in Section 4.BB. Such compensation shall be in addition to BLG/RLG.
2. If a pilot is removed from a VLT/DRF trip prior to block-out, he shall be compensated as follows.
 - a. If he is removed via VIPS more than 1:30 hours prior to his scheduled showtime, he shall receive no compensation for that trip.
 - b. If he is removed via VIPS 1:30 hours or less prior to his scheduled showtime he shall earn 3 CH showpay at 150% of his normal pay rate.
 - c. If he is removed at or after his scheduled showtime, he shall earn 3 CH showpay at 150% of his normal pay rate.
 - d. A pilot who is removed from multiple VLT or DRF trips within the same duty period shall receive a maximum of one showpay associated with such duty period.
3. A pilot who is removed from a VLT or DRF trip and blocks out on another VLT or DRF trip with a showtime within 4 hours of the showtime of the original trip shall not receive showpay for the first trip.
4. If a pilot is removed from a VLT or DRF trip prior to block-out due to sick leave, he shall not earn any CH for that trip and no deduction shall be made from his sick leave account.
5. A pilot who is removed from a VLT or DRF trip after block-out due to sick leave shall be compensated at 150% of his normal pay rate for such trip. The CH charged to sick leave, (as described in Section 14.B.5.), shall be charged at 150%.
6. For purposes of this Section, the provisions of Section 4.Q.1. through 4.Q.5. apply for a pilot assigned a CMU trip.

R. Field Emergency Pay

1. If a pilot in field emergency pay status departs his location to position for the trip, or blocks out on the revenue portion of a trip, he shall earn trip guarantee at 150% of his normal pay rate. He shall be reimbursed for expenses incurred in positioning, as provided in Section 5.A.7., (authorized expenses), by submission of an expense report. (A field emergency pilot's trip shall be constructed as provided in Section 25.R., in order to establish a credit hour value for the trip).
2. If a pilot accepts a field emergency trip and is removed from that trip prior to departing his location for the purpose of positioning for the field emergency trip, he shall earn 3 CH paid at 150% of his normal pay rate.

S. Special Project Pay

A pilot assigned to special projects shall receive \$20 per hour worked on a scheduled day off, not to exceed 8 hours per day.

T. Special Exemption Pay

A pilot shall be paid 3 CH in addition to all other compensation for any duty period that requires a special exemption due to the carriage of a substance that requires a special exemption to be carried on board FedEx aircraft. This extra pay shall be accomplished by submission of a pay log. This paragraph does not extend to radioactive substances that exceed 50 Transport Indices (TI's), i.e., DOT 7060 "Hot Flight," but this paragraph does extend to such substances as Hydrazine that require a special exception in and of themselves.

U. Taxi Pay

A pilot who reports for or performs aircraft ground operations for a purpose other than flight, not during a trip or base standby, shall earn 3 CH or duty rig, whichever is greater.

V. Reserved

W. Disruption Compensation

1. Trips held in the following pay codes are eligible for disruption pay: TRP, AST, SOF, SWP, M/U, MUV, MUD, MUS and CIA. If a pilot's eligible trip is disrupted as provided in Section 25.S., the pilot shall receive disruption pay as follows:

a. Landing Disruption

0:30 CH for the first extra landing in a trip and 1:30 CH per extra landing thereafter as provided in Section 25.S.2.a.

b. Duty Period Disruptions

1:30 CH for each duty period in which one or more of the disruptions described in Section 25.S.2.b. occurs.

c. Layover Change Disruption

1:30 CH per trip for disruptions described in Section 25.S.2.c.

2. The applicability of disruption pay is determined by comparing the trip as awarded/assigned with the trip as actually operated, regardless of intermediate revisions. A pilot must operate a disruption to receive the corresponding pay.

3. Except for the disruption due to a deadhead at the end of a trip being revised to operate, as provided in Section 25.S.2.b.ii., a disruption(s) is not payable based on events that occurred during a duty period that qualifies for extra duty period pay, as provided in Section 4.Y.

X. FAR Extension Pay

If a pilot's duty period is extended beyond the 1:30 operational limits as provided in Section 25.T., he shall earn an additional 3 CH at his normal pay rate.

Y. Extra Duty Period Pay

1. Trips held in the following pay codes are eligible for extra duty period pay: TRP, AST, SOF, SWP, M/U, MUV, MUD, MUS and CIA. If the actual number of duty periods operated in a pilot's eligible trip exceeds the number of duty periods scheduled when the pilot was awarded/assigned the trip, the pilot shall be compensated 3:30 CH at his normal pay rate for each additional duty period, in addition to all other compensation. Activities assigned during single day base standbys (airport or hotel) shall not generate extra duty period pay.

2. If a duty period qualifies for extra duty period pay, no disruptions, (except for the disruption due to a deadhead at the end of a trip being revised to operate,

as provided in Section 25.S.2.b.ii.), are payable based on events that occurred during that duty period.

3. For purposes of determining extra duty period pay, a standby period(s) that is part of a multiple day trip, but is not attached to a duty period scheduled to contain flying shall count as 1 duty period. A hotel standby period counts as a duty period only for purposes of extra duty period pay; the provisions of Section 12 apply in all other cases.

Z. Recall From Rest Pay

If a pilot is recalled from a legal rest period, he shall be compensated 3 CH, at his normal pay rate, in addition to all other compensation.

AA. Base Replacement Pay

1. If a pilot blocks out on a base replacement trip, (Section 25.Q.), he shall earn the greater of trip guarantee for his original or replacement trip.
2. If a pilot described in Section 4.AA.1. (above), is involuntarily assigned, (Section 25.Q.2.), he shall be compensated at 150% of his normal pay rate.
3. If a pilot blocks out on a base replacement trip, he shall earn 3 CH base replacement pay at his normal pay rate in addition to all other compensation.
4. If a pilot's base replacement trip is canceled, he shall earn the trip guarantee of his original trip.

BB. Overage Accrual and Compensation

1. Overage Compensation and Credit
 - a. Overage compensation shall be paid in addition to all other compensation to which a pilot is entitled, except as provided in Section 4.BB.1.b. through BB.1.f. (below).
 - b. Overage CH for a reserve trip shall be credited and compensated as provided in Section 4.BB.8.
 - c. Overage CH for a substitution trip shall be credited and compensated as provided in Section 4.BB.9.
 - d. Overage CH accrued during a make-up vacation trip shall be applied toward a pilot's vacation bank.
 - e. Overage CH accrued during a make-up sick trip shall be applied toward a pilot's disability sick account.
 - f. Overage CH accrued during an AFB trip shall be applied as provided in Section 18.E. (Association Fly Back).
2. For the purpose of computing overage compensation, SCH is equal to trip guarantee.
3. If the revision or operation of a non-reserve trip causes a conflict with a pilot's subsequent trip or R-day, the following shall apply:
 - a. If the conflicted activity is an R-day, then:
 - i. if the pilot was available for any portion of his RP, he shall be compensated both the overage earned and the value of the R-day.
 - ii. if the pilot was not available for any portion of his RP, he shall be compensated the greater of the overage earned or the value of that R-day.

- b. If the conflicted activity is a trip, it shall be removed and the following shall apply:
 - i. the pilot shall not be entitled to compensation for the removed trip if he operated the first trip in PDO status, as described in Section 25.L.10., or if the dropped trip is a VLT, DRF, CMU, SUB, MUS, MUV, AFB or RSV trip.
 - ii. if the removed trip was a substitution trip, the substitution trip shall not be credited toward the pilot's substitution guarantee, and the pilot shall remain eligible for substitution. His entitlement to trip guarantee for his original trip shall not be affected.
 - c. If the pilot has trip guarantee for the removed trip (i.e., it was not a VLT, DRF, CMU, MUS, MUV, AFB or RSV trip), the pilot may elect the following:
 - i. to have the trip in conflict dropped without pay, in which case the accrued overage shall be paid and the dropped credit hours shall be eligible for make-up; or
 - ii. If the pilot does not elect the option in Section 4.BB.3.c.i. (the above paragraph), the subsequent trip shall be removed with pay and the pilot shall be eligible for substitution.
4. If the revision or operation of a reserve trip causes a conflict with a pilot's subsequent trip, the subsequent trip shall be removed and following shall apply:
- a. If he did not hold trip guarantee for the subsequent trip (i.e., it was a VLT, DRF, CMU, MUS, MUV, AFB or RSV trip), the pilot shall not be entitled to compensation for such trip.
 - b. If the pilot held trip guarantee for the subsequent trip (i.e., it was not a VLT, DRF, CMU, MUS, MUV, AFB or RSV trip), the pilot may elect to have the trip in conflict dropped without pay, in which case the accrued overage shall be paid and the dropped credit hours shall be eligible for make-up.
 - c. If the pilot does not elect the option in Section 4.BB.4.b. (the above paragraph), the subsequent trip shall be removed with pay (as provided in Section 4.L.), and the pilot shall be eligible for substitution. If the removed trip was a substitution trip, that trip shall not be credited towards the pilot's substitution guarantee and the pilot shall remain eligible for substitution. His entitlement to trip guarantee for his original trip shall not be affected.

On DOS through the December, 2007 bid period, Section 4.BB.5. shall provide as follows:

5. If a trip's ACH exceed SCH or the trip is operationally extended past its original scheduled return time, a pilot shall earn overage CH computed as the higher of:
 - a. ACH minus the sum of SCH for the trip and SCH of any subsequent trip(s) removed with pay due to actual conflict; or
 - b. trip rig computed for the time the extended trip conflicts with time the pilot was scheduled to be free from duty at base, if such time exceeds 2 hours.

Beginning with the January, 2008 bid period, Section 4.BB.5. shall provide as follows:

5. If a trip's ACH exceed OSC or the trip is operationally extended past its original scheduled return time, a pilot shall earn overage CH computed as the higher of:
 - a. ACH minus the sum of OSC for the trip and SCH of any subsequent trip(s) removed with pay due to actual conflict; or
 - b. trip rig computed for the time the extended trip conflicts with time the pilot was scheduled to be free from duty at base, if such time exceeds 2 hours.
6. If a trip extends 2 hours or less into time scheduled free from duty at base, overage CH shall be paid at the pay rate applicable to the extended trip; provided however, that overage CH for a PDO trip shall be paid to the pilot who operated the trip.
7. If a trip extends more than 2 hours into time scheduled free from duty at base, overage compensation for the first 12 CH shall be paid at 150% of the pilot's normal pay rate. If a pilot earns more than 12 CH of overage on a trip, the excess shall be paid at 200% of the pilot's normal pay rate.

On DOS through the December, 2007 bid period, Section 4.BB.8. shall provide as follows:

8. Reserve Overage
 - a. If the ACH of a reserve trip exceed SCH and/or such trip is operationally extended 2 hours or less into time scheduled free from duty at base on a non R-day, all overage CH shall be applied to the pilot's RLG and leveling at 100%.
 - b. If a reserve trip extends more than 2 hours into time scheduled free from duty at base on a non R-day, overage CH shall be computed as trip rig for the period from scheduled trip termination until actual trip termination. Overage CH shall be applied as follows:
 - i. Overage CH accrued on an R-day shall be applied toward leveling and credited toward RLG at 100%.
 - ii. Overage CH accrued on time scheduled free from duty on a non R-day shall be applied toward leveling only at 100% and shall be

compensated in addition to BLG/RLG at 150% of the pilot's normal pay rate.

Beginning with the January, 2008 bid period, Section 4.BB.5. shall provide as follows:

8. Reserve Overage

- a. If the ACH of a reserve trip exceed OSC and/or such trip is operationally extended 2 hours or less into time scheduled free from duty at base on a non R-day, all overage CH shall be applied to the pilot's RLG and leveling at 100%.
- b. If a reserve trip extends more than 2 hours into time scheduled free from duty at base on a non R-day, overage CH shall be computed as trip rig for the period from scheduled trip termination until actual trip termination. Overage CH shall be applied as follows:
 - i. Overage CH accrued on an R-day shall be applied toward leveling and credited toward RLG at 100%.
 - ii. Overage CH accrued on time scheduled free from duty on a non R-day shall be applied toward leveling only at 100% and shall be compensated in addition to BLG/RLG at 150% of the pilot's normal pay rate.

On DOS through the December, 2007 bid period, Section 4.BB.9. shall provide as follows:

9. Substitution Overage

- a. If the ACH of a substitution trip exceed SCH or that trip is operationally extended 2 hours or less beyond the release time of the original trip, into time scheduled free from duty at base, all overage CH shall be credited toward his original trip guarantee at 100%.
- b. If a substitution trip extends more than 2 hours beyond the scheduled termination of the pilot's original trip, into time scheduled free from duty at base, overage shall be computed as trip rig for the period from scheduled termination of the substitution trip until actual termination of that trip. Overage CH shall be applied as follows:
 - i. Overage CH accrued, if any, from the scheduled termination of the substitution trip until the scheduled termination of the original trip shall be credited toward trip guarantee of the original trip at 100%.
 - ii. Overage CH accrued from scheduled termination of the original trip until actual termination of the substitution trip shall be compensated at 150% of the pilot's normal pay rate.

Beginning with the January, 2008 bid period, Section 4.BB.9. shall provide as follows:

9. Substitution Overage

- a. If the ACH of a substitution trip exceed OSC or that trip is operationally extended 2 hours or less beyond the release time of the original trip, into time scheduled free from duty at base, all overage CH shall be credited toward his original trip guarantee at 100%.
- b. If a substitution trip extends more than 2 hours beyond the scheduled termination of the pilot's original trip, into time scheduled free from duty at

base, overage shall be computed as trip rig for the period from scheduled termination of the substitution trip until actual termination of that trip. Overage CH shall be applied as follows:

- i. Overage CH accrued, if any, from the scheduled termination of the substitution trip until the scheduled termination of the original trip shall be credited toward trip guarantee of the original trip at 100%.
- ii. Overage CH accrued from scheduled termination of the original trip until actual termination of the substitution trip shall be compensated at 150% of the pilot's normal pay rate.

CC. Weather Replacement Pay

A pilot, while away from base on a trip, who is removed from his scheduled activity to replace a weather restricted pilot earns weather replacement pay of 2:30 CH.

DD. Compensatory Make-Up (CMU)

1. CH for trips assigned in compensatory make-up status shall be compensated at 150% of the pilot's normal pay rate, except that CH earned for trips assigned in compensatory make-up status, which exceed the pilot's compensatory make-up eligibility, shall be compensated at 100%.
2. For purposes of Section 4., a pilot in compensatory make-up status shall be treated as if he were a VLT/DRF pilot and as such does not have trip guarantee.

EE. Grid Penalty Event (GPE)

This paragraph applies to all international trips except for international trips constructed under Section 12.D.1.b. or c.

1. A grid penalty event (GPE) occurs in the following five circumstances:
 - a. A pilot's duty period exceeds the maximum duty permitted in the Grid based on his Grid sleep state by more than 1:30.
 - b. A pilot's layover was less than the applicable International Grid Minimum Layover (i.e., 14 hours or 12 based on the chart in 12.D.2.e).
 - c. A pilot received more than 4 "not adjusted" rests in a row. Each rest after 4 non-adjusted rests shall be a separate GPE event. An initial GPE occurs when the pilot's sixth duty period begins without the pilot having received at least 18 hours free from duty preceding the beginning of that duty period. For purposes of Section 4.EE.1.c., only, an unassigned hotel standby period shall be counted as part of the rest periods preceding and/or following it (e.g., an unassigned 11:30 hotel standby period, followed by a 12:30 rest period will be counted as an adjusted rest).
 - d. A pilot exceeds the landing limitations as permitted in the grid in any single duty period.
 - e. 34-in-168 Nonconformance Penalty
If a pilot's trip did not conform to 34-in-168, (as set forth in Section 12.D.2.g., except using 34 instead of 36 hours) he shall be paid 3 CH in addition to all other compensation regardless of the 48-hour period as stated in Section 4.EE.3., and the event shall be additive to the total count of GPEs for the trip.

2. If all GPEs in a trip touch a single 48 hour period, no grid penalty shall be due, except as provided in Section 4.EE.1.e.
3. If all GPEs do not touch a single 48 hour period, then the following penalties shall apply:
 - a. If the trip has two or fewer GPEs, the pilot shall be paid 3 CH per violation in addition to all other compensation. A duty period that triggers a payment under this paragraph shall be ineligible for FAR Extension Pay.
 - b. If the trip contained more than two GPEs, the pilot's trip guarantee shall be paid a premium of 50% based on the pilot's normal rate of pay (i.e., if trip guarantee was at 100%, it pays at 150%, if trip guarantee was at 125% (OTP), it pays at 175%, if trip guarantee was at 150%, it pays at 200%). For a reserve pilot, the CH representing the 50% premium shall not be credited toward RLG, but shall be paid in addition to all other compensation, including BLG/RLG.
 - c. If a trip has multiple GPEs, one of which is a 34-in-168 violation, the GPEs in that trip shall be deemed not to touch a single 48 hour period.

4.FF. Block Override (BKO)

If a trip's OSC exceed SCH, a pilot shall earn block override CH equal to OSC minus SCH. BKO shall be paid in the same form (e.g., credited toward RLG for reserve trips, credited toward MUS for MUS trips, cash for TRP), at the same pay rate, as trip guarantee.

SECTION 5

TRAVELING EXPENSES

A. Per Diem

1. Domestic per diem is \$1.90 per hour of actual TAFB, prorated on a minute by minute basis. On [date of signing + 2 years], domestic per diem shall rise to \$1.95.
2. International per diem is \$2.70 per hour of actual TAFB, prorated on a minute by minute basis. On [date of signing + 2 years], international per diem shall rise to \$2.75.
3. A pilot on a trip that includes one or more legal rest periods shall receive the applicable per diem to offset the cost of meals, laundry and incidental expenses.
4. A pilot assigned base hotel standby shall receive the applicable per diem for the duration of such standby.
5. A pilot who is away from his base on Company assigned non-flying duty, including training, shall be paid per diem for all hours during which he is away from his base for such duty including travel to and from his duty. When this duty is performed within the contiguous 48 states, the per diem shall be paid at the domestic rate; when this duty is performed outside the contiguous 48 states, the per diem shall be paid at the international rate. This per diem shall be paid by submission of a pay log.
6. Except as provided in Section 8.C.3.e. (regarding hotel use in lieu of double deadhead), per diem shall be paid to a pilot who deviates as if he had flown the trip as scheduled.
7. The Company shall reimburse a pilot for authorized reasonable expenses not covered by Section 5.A.3. through A.6. (e.g., authorized transportation, non-contract hotels, reasonable excess baggage charges in regards to an international commercial flight), incurred while on a trip or on Company business away from his base. The Company issued travel card, if accepted, shall be used to pay for these authorized expenses. An expense report shall be submitted within one bid period to document expenses incurred during the preceding bid period.
8. Per diem based on flying activities shall be paid to pilots in the first paycheck in the bid period immediately following the bid period in which the per diem was earned; provided however, that all per diem for a carryover trip shall be paid:
 - a. on the 15th of the month in which the carryover trip terminated if the trip terminated before the edit cycle began for that month or;
 - b. on the 15th of the following month if the trip terminated after the edit cycle began.

B. Lodging and Rest Facilities

1. The Company shall provide a pilot a single occupancy hotel room in the following circumstances:

- a. between 2 consecutive flights within a trip containing an intermediate stop scheduled to exceed 4 hours.
 - b. at a pilot's election, if, due to operational circumstances, he is projected to experience an actual intermediate stop, from block-in to block-out, that is:
 - i. in excess of 4 hours; and
 - ii. more than one hour greater than the originally scheduled intermediate stop.
 - c. while on hotel standby.
 - d. while away from his base for training or other Company assigned non-flying duty requiring an overnight stay.
 - e. during any legal rest period away from his domicile.
 - f. at the conclusion of the revenue portion of a trip, at the pilot's election, when the final duty period of that trip exceeds 10 hours and the pilot is scheduled to deadhead by air to his base as the concluding segment of the trip.
 - i. The room shall be located in the city in which the revenue portion of the trip terminates and the deadhead is scheduled to originate.
 - ii. The pilot is responsible for maintaining his eligibility and legality for a subsequent assignment.
 - iii. Unless operational circumstances preclude it, CRS shall assist the pilot in making his reservation at the contract hotel, or, if unavailable, at another comparable hotel in the same city.
 - iv. Deviation from scheduled deadhead procedures as referenced in Section 8.C.1.h. (End of Trip Deviation), shall be followed.
 - g. at the conclusion of a trip at domicile when the trip was scheduled with a layover(s) and is rescheduled as follows:
 - i. the trip has no layover; and
 - ii. the duty time for the trip as rescheduled exceeds 9 hours.
2. If a routinely scheduled intermediate stop is scheduled to exceed 2 hours, a suitable rest/break facility shall be provided, except where it is not operationally feasible and it shall meet the following parameters:
- a. clean and sanitary;
 - b. appropriately climate controlled;
 - c. adequate comfortable seating with at least 3 recliners;
 - d. access to refreshments and snacks; and
 - e. clean, sanitary washrooms with hot and cold running water and toilet facilities.
3. The Company agrees to provide pilots lodging facilities consistent with its historical practices. Such facilities permit pilots to receive adequate rest and offer a range of services while at the same time providing the Company with a good and predictable value. At a minimum, the following guidelines shall be considered when contracting hotel accommodations:
- a. Secure, clean and, when possible, with guaranteed non-smoking rooms. Pilots who smoke in designated non-smoking rooms shall be responsible for room cleaning expenses charged by the hotel, if any;
 - b. 24 hour room service or restaurant availability, or transportation to a dining facility;

- c. Transportation to the hotel shall be made available within 30 minutes of block-in;
 - d. Access to exercise facilities, if possible, whether on-site, or by arrangement with near by facilities;
 - e. For a scheduled layover of 12 hours or more, locations more distant from the airport with amenities close to the hotel such as dining, recreation and shopping, will be considered as part of the hotel selection process; and
 - f. Free high-speed internet access.
4. The Vice President, Flight Operations shall be ultimately responsible for the selection of facilities for which this Section provides.
- a. The Company shall meet at least quarterly with the MEC Hotel and Catering Committee to evaluate the adequacy of current facilities.
 - b. Addressing Concerns/Problems
 - i. The Company shall promptly investigate complaints from the MEC Hotel and Catering Committee relating to service at any facility. If the investigation reveals a deterioration of service below the acceptable guidelines as stated above, the Company shall take appropriate action to remedy the reported problem or seek alternate facilities. The Company shall advise the MEC Hotel and Catering Committee of its findings and any corrective action taken.
 - ii. Should the Company and the MEC Hotel and Catering Committee fail to resolve or address concerns/problems experienced by pilots about the quality or performance of a particular present or proposed lodging facility to the satisfaction of the MEC Hotel and Catering Committee as described above, the MEC Chairman may elect to notify the Vice President, Flight Operations concerning the issue(s). The notification shall be in writing and shall state the unresolved concerns/problems and the Association's position. Upon receipt, the Vice President, Flight Operations shall promptly have the stated unresolved concerns/problems investigated. Within a reasonable time, the Vice President, Flight Operations shall meet with the MEC Chairman at a mutually acceptable date and time to review the results of the investigation and discuss options for dealing with the unresolved concerns/problems. Following the meeting, the Vice President, Flight Operations shall advise the MEC Chairman in writing of what actions, if any, the Company shall take to address the presented concerns.
 - c. If the Company intends to enter into or cancel a contract for lodging facilities for pilots, the Company shall notify the MEC Hotel and Catering Committee. Unless precluded by unforeseen circumstances, notice shall be provided 30 days prior to the execution or cancellation of any contract. The Company and the MEC Hotel and Catering Committee shall discuss at the quarterly meeting, and consult at other times, regarding the suitability of particular lodging facilities/locations or the desired change.
5. The Company shall pay for a pilot's hotel room, tax, access charges related to phone calls (local and long distance), and business related telephone calls. All other incidental charges shall be paid by the pilot when checking out. The Company shall arrange direct billing for all designated facilities, and, if possible, for unscheduled accommodations. The pilot shall ensure that the direct bill for

his stay includes only expenses that qualify for reimbursement (e.g., no long distance personal calls on direct bill).

6. The Company shall maintain and distribute to pilots a list of all approved facilities at stations and alternate locations where pilots are scheduled to receive lodging as provided by this section. This list shall include the facility name, telephone number, scheduled pick up time prior to departure and ground transportation vendor information.
7. A pilot shall cancel any scheduled hotel rooms he does not intend to use. If, having canceled his hotel room, a pilot's personal plans change and he needs a hotel room as originally scheduled, he may either re-book his original hotel room, or if unavailable, obtain a hotel room in the same city and be reimbursed for such room up to the contract hotel rate. If the pilot stays in a hotel room, as provided in this paragraph, other than after a revenue trip, he shall notify CRS of his contact numbers. This hotel room shall be paid for using the Company issued Travel Card. This hotel room shall not be charged to the pilot's deviation bank, and shall be documented by the submission of an expense report.
8. If the Company becomes aware of circumstances at a hotel property that could preclude pilots from receiving adequate rest (e.g., public demonstration, labor actions), the Company shall attempt to minimize or eliminate the potential disruption (e.g., by relocating pilots, etc.).

C. Transportation

The Company shall arrange safe and secure transportation at no cost to the pilot to and from all accommodations required in this Section.

D. Alternate Accommodations or Transportation

1. If crew accommodations (as described in Section 5.B.), have not previously been made, a pilot shall contact CRS to obtain accommodations. If reservations have not been made, at the pilot's option, he may obtain comparable accommodations at the lowest rate available at the time the reservation is made. If these accommodations cannot be direct billed, pilots are authorized to charge these expenses as provided in Section 5.A.7. (above).
2. If transportation required under Section 5.C. (above), is not provided within 30 minutes after block-in, the crew is authorized to obtain transportation and to charge these expenses as provided in Section 5.A.7. (above). If the scheduled transportation from the layover location to the departure airport is not available in time to prevent a departure delay, the crew shall use their best efforts to obtain transportation as provided in Section 5.A.7.

E. Catering

1. Catering for duty periods within a trip shall be provided as follows:
 - a. Domestic Duty Periods
 - i. Duty periods between 5:30 and 7:29 hours shall receive a snack.
 - ii. Duty periods between 7:30 and 11:29 hours shall receive 1 meal service.
 - iii. Duty periods in excess of 11:29 hours shall receive 1 meal and 1 snack.
 - iv. Domestic flights shall be catered at the point of origin.
 - v. No hot meal service is required on domestic flights.
 - vi. Domestic flights shall not be delayed for catering.

- vii. If catering is not delivered by departure time, CRS will attempt to arrange catering down line. If catering required under Section 5.E.1.a.i., ii., or iii. is not delivered down line, the pilot entitled to such catering shall be eligible to expense a meal for up to \$25 upon arrival at the layover city. The pilot shall submit an online Pilot Ops Report (POR) regarding the catering failure and attach a copy of such POR to his expense report in order to secure reimbursement.
 - viii. Jumpseaters will not be catered domestically, except as provided in Section 5.E.1.e.
- b. International Duty Periods
 - i. All duty periods shall receive at least a mini-snack. Duty periods between 5:30 and 7:29 hours shall receive a snack.
 - ii. Duty periods between 7:30 and 9:00 hours shall receive 1 meal service.
 - iii. Duty periods in excess of 9:00 hours shall receive 2 meals. One meal shall be hot if the scheduled aircraft is equipped with an oven. Menu selection shall be provided when available.
 - iv. An International flight shall not be delayed for catering if it is scheduled for snack or mini-snack service only, or if it is scheduled to domestic parameters, as provided in Section 12.D.1.b. and D.1.c.i.
 - v. Jumpseaters will be provided one meal on flights where the crew is provided meal service. Generally, meal selection is not available for jumpseaters, however, deviating crewmembers are entitled to meal selection, provided they are both confirmed on the jumpseat and request meal selection at least 12 hours before showtime of the flight. International flights shall never be delayed waiting for jumpseater catering.
 - vi. Menu selection forms will be provided for formalizing crew requests.
 - vii. All international flights are catered by the point of origin.
 - viii. For purposes of catering parameters, Canada, Mexico and Puerto Rico will be considered international locations as far as duty time is concerned, however, meal selection is not available in these locations.
- c. If a domestic flight sequence not otherwise scheduled for catering is scheduled to block-out between 2300 and 0830 local time, such flight shall be catered with a mini-snack at the point of origin. If a pilot's flight sequence otherwise covered by this paragraph, blocks out between 0530 and 0830, such flight sequence shall receive a breakfast snack instead of a mini-snack.
- d. If a flight sequence is scheduled for an intermediate stop for more than 2 hours (from block-in to block-out) at a hub or sort facility with open dining facilities, catering shall not be provided as required by Section 5.E.1.a. However, a flight shall be catered if the individual flight (or flight/deadhead) segments before or after the 2 hour intermediate stop would otherwise require catering as described in Section 5.E.1.a.
- e. If a flight is scheduled to be catered, all Company scheduled deadheading pilots on that flight shall also be catered.
- f. If a pilot on airport standby is assigned a flight, a snack shall be catered for him, regardless of whether the flight would otherwise be eligible for catering.

- g. If a pilot on hotel standby is assigned a flight with a report time less than 1:30 from time of notification, he shall receive a mini-snack at the point of origin.
 2. Flights originating from any base, IND, OAK, EWR or AFW shall be catered with hot coffee and at least 1 ice chest containing ice, water and an assortment of juices and sodas. Flights originating from other stations shall be catered with hot coffee, ice and water. All required drinks, including coffee, shall be placed on the aircraft by ground personnel.
 3. When operational circumstances warrant, (e.g., hub malfunctions, weather or aircraft maintenance delays, etc.), a Captain operating a flight not scheduled for catering may request that catering be provided. These requests shall not be unreasonably denied.
 4. When combined in the same duty period with Company assigned flying, deadhead travel time (air or ground) shall be included in applying the catering provisions contained in Section 5. E.1.a. and E.1.b. Travel from airport to hotel is not ground deadhead (unless the arrival city and the next departure city are different, in which case it may be ground DH).
 5. If the Company is required to provide catering, and the location has no FDA-approved inflight kitchen (i.e., it is a "NOCAT" city), the pilot shall, upon submission of an online expense report identifying the NOCAT city, be entitled to \$25 for each occurrence, in lieu of catering. NOCAT cities shall be designated in the bid period package.
 6. The Vice President, Flight Operations, or his designee, shall make arrangements for the catering required by this Section. The Company shall meet quarterly with the MEC Hotel and Catering Committee to review catering and discuss possible modifications (e.g., composition and/or quality of mini-snack, snack, meal selections, etc.). Additionally, the Association shall have the ability to meet with the Vice President, Flight Operations, or his designee, at mutually agreeable times and locations regarding catering concerns.
- F. Parking
- The Company shall provide each pilot with a parking space in his domicile (or base in case of an FDA base). If a pilot does not live at his domicile (or base in case of an FDA base), he may request a parking space at the Company airport facility, subject to availability and approval. (For information regarding the parking allowance as a deviation expense, see Section 8.C.3.f.)
- G. Temporary Vacancy Expenses
- The following additional provisions apply to a pilot holding a temporary vacancy:
1. The Company shall provide a pilot holding a temporary vacancy with:
 - a. Deadhead transportation between his base and the domicile of his temporary vacancy at the beginning and end of the temporary vacancy; and
 - b. Business Jumpseat status to and from the domicile of his temporary vacancy for the duration of the pilot's temporary vacancy.
 2. A pilot awarded or assigned a temporary vacancy shall be provided a single occupancy hotel room, as described in Section 5.B.2., for the duration of the temporary vacancy.

3. A pilot awarded or assigned a temporary vacancy shall be paid per diem for all on- and off-duty periods for the duration of the temporary vacancy. The rate of per diem for off-duty periods and for on-duty periods for which the pilot otherwise would not be entitled to per diem shall be determined by the location of the temporary vacancy domicile, in the same manner as described in Section 5.A.5.

H. FDA Expenses

The following additional provisions shall apply to a pilot holding an FDA assignment:

1. A pilot, and dependents who relocate to the FDA location, shall be provided one way air transportation to the FDA location prior to the commencement of the assignment and return transportation to the pilot's domicile at the conclusion of his assignment.
2. A pilot may book 1 round trip business jumpseat during each quarter between the FDA location and any other location designated by the pilot.

I. Lost and Damaged Baggage

In case luggage (including the contents of the luggage) is lost or damaged on a commercial flight, the pilot shall first file a claim with the airline following the airline's policy for luggage claims. If the airline denies the claim, or portion thereof, because the ticket was not a privately purchased full fare ticket, the pilot should submit airline documentation to his ACP with a claim for the difference between what the airline would have paid a full fare passenger and what the airline actually paid for the claim. The Company shall pay this difference.

SECTION 6

RELOCATION EXPENSES

Definitions:

1. Base
An aircraft specific operational work location (FDA, temporary vacancy or domicile).
 2. Domicile
An airport or co-terminal airports, designated by the Company, to which pilots are permanently assigned. A domicile is aircraft and base specific. A pilot's base is his domicile, except for pilots assigned to an FDA or temporary vacancy.
- A. General Eligibility Criteria
Except as otherwise provided in this Section, the Company shall provide relocation benefits in accordance with the schedule below:
1. Domicile Closure
A pilot whose permanent domicile is closed shall be eligible for a relocation package #1, as described in Section 6.C.
 2. Excess
A pilot who is excessed from his crew position shall be eligible for a relocation package #1; provided, however, that a pilot excessed from an FDA location shall be eligible for a relocation package #2, as described in Section 6.D. A junior pilot who is assigned an unfilled permanent vacancy pursuant to Section 24.C.3.b. (inverse assignment), shall be considered to have been excessed. The application of this paragraph shall not result in a relocation package for a new hire pilot.
 3. Bidding to Relieve an Excess
A pilot who bids to relieve an excess shall be eligible for a relocation package #1; provided, however, that a pilot who bids to relieve an excess from an FDA location shall be eligible for a relocation package #2, subject to Section 6.A.7. and E.
 4. New Domicile
A domicile shall remain a new domicile for a period of 12 months commencing with the activation of the first pilot assigned to that domicile, subject to Section 6.A.7.(establishment of an FDA). A pilot who is awarded a vacancy at a new domicile shall be eligible for a relocation package #2., except as provided in Section 6.A.2. and A.3. (above).
 5. Different Domicile When Returning From Furlough
A pilot recalled from furlough to active service as a pilot to a domicile in a different geographic location than the domicile to which he was last previously assigned, shall be eligible for relocation package #2.

6. Return From Leave of Absence
A pilot returning from a leave of absence who would have been eligible for a relocation package but for his being on leave of absence, shall be afforded an opportunity to relocate and receive the applicable relocation package. In no event shall a pilot be entitled to more than one relocation package upon his return from a leave of absence.
7. Foreign Duty Assignments (FDA)
A pilot assigned to or returning from an FDA location shall be eligible for relocation benefits in accordance with Section 6.E. The establishment of MEM as the permanent domicile for all pilots on an FDA assignment shall not constitute the establishment of a new domicile for purposes of Section 6 and a pilot shall not become eligible for relocation benefits on the basis of his assignment into or out of his Memphis FDA domicile.
8. Eligibility For Benefits Prior To Activation
A pilot may receive relocation benefits prior to being activated into his new crew position, but shall reimburse the Company for expenditures related to his relocation if he is not activated into his new crew position for reasons other than death.
9. Crash Pad Eligibility
 - a. A pilot eligible for a relocation package may apply for and shall receive a relocation package #2.a. (i.e., crash pad move) as described in Section 6.D.2. or D.3.
 - b. Except as specifically provided otherwise, a pilot who receives a relocation package #2.a. shall be treated as if he had received the full relocation package for which he was eligible.
10. Anchorage based MD-11 pilots who received a Company paid relocation package to the ANC MD-11 domicile as a result of any posting prior to posting 96-01, shall be provided with a Company paid relocation to their first domicile assignment subsequent to their assignment to the ANC MD-11 domicile. Such pilot is entitled to relocation package #2. In the case of retirement or resignation incident to retirement while assigned to the ANC domicile, the pilot shall be eligible to receive a relocation package #2 when leaving ANC, provided, however that:
 - a. Such pilot shall not be eligible for the relocation allowance described in Section 6.C.2.; and
 - b. the cost of transporting his household goods shall be limited to the actual cost of transporting those goods to his pre-ANC residence or pre-ANC domicile, whichever is less.

B. Limitations

1. First Crew Position

No benefits under this Section are payable to a pilot for relocation to his first crew position with the Company, except as provided in Section 6.E.1.c. (new hire assigned to FDA). Basic Indoctrination and Initial New Hire Training are not considered a first crew position for purposes of this Section.

2. Distance Limitations

A pilot shall not be entitled to a move package unless:

- a. the domicile (or base in the case of an FDA) to which he is moving is more than 50 nautical miles from his current domicile (or base in the case of an FDA); and
- b. the permanent residence to which he is moving is more than 50 nautical miles from his current permanent residence; and
- c. the domicile (or base in the case of an FDA) to which he is moving is more than 50 nautical miles from his current permanent residence; and
- d. the residence to which he is moving is within 100 nautical miles of the domicile (or base in the case of an FDA) to which he is moving; and
- e. the residence to which he is moving is in the same country as the base.

3. Limitation Based On Location of Current Residence

The following limitations apply to a pilot eligible for a relocation package, and whose current permanent residence is not located within a radius of 100 nautical miles from his current domicile (or base, in the case of an FDA) and who previously has received a Company relocation package as a pilot, which included a relocation allowance:

- a. The cost of transporting his household goods shall be limited to the lesser of:
 - i. the actual cost of transporting those goods from his current permanent residence; or
 - ii. the cost of transporting those goods from his current domicile (or base, in the case of an FDA).
- b. The cost of any air transportation benefits for housing searches for the pilot or his spouse pursuant to Section 6.C.12. (below), shall be limited to the lesser of:
 - i. the actual cost of the airline travel from his permanent residence, or
 - ii. the cost of air transportation from his current domicile.
- c. Any cost for the transportation of household goods that is the responsibility of the pilot pursuant to Section 6.B.3.a. (above), shall be paid by the pilot to the commercial carrier at the time those goods are transported, and shall not be billed to the Company.

4. Package #1, 12 Month Limitation
A pilot shall reimburse the Company for 100% of the allowance specified in Section 6.C.2. (below), that was paid under the relocation package #1 if:
 - a. the pilot receives a relocation package #1; and
 - b. he subsequently bids and is awarded a new crew position for which the projected training date or projected activation date, whichever is earlier, falls within the period of 12 months following his activation into his current crew position; and
 - c. he is not entitled to a relocation package for his new crew position.
 - d. he is not covered by Section 6.B.5. (excess and bid to relieve excess).
5. Ineligibility For Relocation In Multiple Bid To Relieve Excess Situations
A pilot shall not be eligible for a relocation package in conjunction with a subsequent bid to relieve an excess award if:
 - a. He receives a relocation package in accordance with Section 6.A.3. (Bidding to Relieve an Excess); and
 - b. he is subsequently awarded another bid to relieve an excess; and
 - c. the projected training date or activation date for the crew position to which he is excessed, whichever is earlier, falls within 12 months following completion of his prior relocation.
6. Package #2, 18 Month Limitation
 - a. A pilot shall reimburse relocation expenditures paid by the Company for his relocation package #2, if:
 - i. He receives a relocation package #2 pursuant to Section 6.A.4. (New Domicile); and
 - ii. he subsequently bids and is awarded a crew position for which the projected training date or projected activation date, whichever is earlier, falls within the period of 18 months following his activation into his current crew position; and
 - iii. he is not eligible for a relocation package for his new crew position.
 - b. The reimbursement shall be prorated as described in Section 6.B.9. (Reimbursement Schedule). Expenditures incurred pursuant to Section 6.C.8 (Marketing Assistance), shall not be reimbursed.
7. Package #1, or #2, 18 Month Limitation
 - a. A pilot not covered by Section 6.B.4., B.5. or B.6., shall be required to reimburse relocation expenditures paid by the Company, if:
 - i. within 18 months after completion of his relocation, he moves outside a radius of 100 nautical miles from his domicile (or base, in the case of an FDA); or
 - ii. within 18 months after completion of his relocation, he leaves the Company, provided, however, that:
 - (a) a pilot who leaves the Company due to retirement or resignation incident to retirement shall not have any reimbursement obligation unless he retired or resigned within 12 months after having completed his relocation; and
 - (b) there shall be no reimbursement obligation by a pilot's estate due to his death.

- b. The amount of reimbursement shall be prorated as described in Section 6.B.9. (Reimbursement Schedule). Expenditures incurred pursuant to Section 6.C.8. (Marketing Assistance), shall not be reimbursed. Reimbursement of expenses incurred pursuant to Section 6.C.12., shall be limited to the cost of airline tickets in excess of 2 round trips for the pilot and 2 round trips for the pilot's spouse.
8. **Failure To Complete Relocation**
If a pilot fails to complete his relocation within 18 months following his activation, he shall reimburse the Company 100% of relocation expenditures paid by the Company, other than expenditures for benefits received pursuant to Section 6.C.8. (Marketing Assistance). Reimbursement of expenses incurred pursuant to Section 6.C.12. (below), shall be limited to the cost of airline tickets in excess of 2 round trips for the pilot and 2 round trips for the pilot's spouse.
9. **Reimbursement Schedule**
A pilot who is required to reimburse the Company for relocation expenses as provided in Section 6.B.6. and B.7., shall reimburse the Company on a prorated basis in accordance with the following schedule:

Time When Obligation to Reimburse Arises	Percentage of Relocation Benefits Reimbursable
before completion of the 12th month of the applicable time frame	100%
during the 13th month of the applicable time frame	33%
during the 14th month of the applicable time frame	28%
during the 15th month of the applicable time frame	22%
during the 16th month of the applicable time frame	17%
during the 17th month of the applicable time frame	11%
during the 18th month of the applicable time frame	6%

10. **Additional Benefits Withheld While Reimbursement Pending**
Relocation benefits to which a pilot is entitled may be withheld pending the pilot's full reimbursement of amounts that he is obligated to reimburse in accordance with Section 6.B.4., B.6., B.7. or B.8. (above), with respect to a prior relocation. Application of this paragraph shall not extend the period during which a pilot must complete his relocation, as provided in Section 6.B.8. (above).

11. Relocation to Property Already Owned by Pilot

If the residence to which the pilot is moving is already the property of the pilot, he shall not be entitled to a relocation allowance or the benefits provided in Section 6.C.12. (air transportation for housing searches). This paragraph shall not prevent a pilot, who is otherwise eligible for a relocation allowance as part of a return move from an FDA, from receiving such allowance.

C. Relocation Package #1

Relocation package #1 shall include the following:

1. Household Goods

- a. Transportation of household goods from former residence to new permanent residence (qualified commercial carrier to be selected by the Company). The Company shall make best efforts to ensure that the household goods are delivered to the new permanent residence within 30 days following the receipt of the pilot's goods for shipment. If the household goods have not been delivered within 45 days following the receipt of the pilot's goods for shipment, the pilot shall be entitled to reimbursement for reasonable expenses occasioned by the delayed shipment, (e.g., rental charges for basic household goods). A pilot shall coordinate with Human Resources, AOD, to arrange reimbursement under this paragraph. The move shall be limited to 16,500 maximum allowable pounds for household goods, not including any automobiles, and payment due over the maximum pounds shall be the sole responsibility of the pilot and shall be paid at the time of the move.
- b. Although not all inclusive, the following cannot be handled by the carrier: transportation of pets, boats (or other water vehicles), snowmobiles, all-terrain vehicles, trailers, aircraft, auxiliary buildings, excessive hobby equipment, arcade games, juke boxes, jewelry, alcohol, guns, livestock, perishables, plants, shrubs, trees, campers, firewood, fences, flammables, hazardous materials, excessive lawn furniture, shop equipment, family heirlooms, antiques, coins, stamps, china of great value, paintings, photographs, slides; piano tuning, dismantling and setting up swing sets; disconnecting and reconnecting stereo equipment; storage of automobile; other unreasonable transportation expenses.

2. Relocation Allowance

In order to help defray the cost of relocation, an eligible relocating pilot shall be paid a relocation allowance of \$10,000, or 79 credit hours (CH) multiplied by the pilot's new hourly rate of pay, whichever is greater, subject to the following:

- a. Twenty-five per cent (25%) of the relocation allowance shall be forwarded to the pilot after receipt and approval of the relocation request form. The allowance shall not be issued more than 30 days prior to the pilot's activation date.
- b. Another twenty-five per cent (25%) shall be forwarded to the pilot after verification by the Company's transportation department of the relocation of the pilot's household goods to his residence address within the 100 nautical mile radius of his new domicile.

- c. The final fifty per cent (50%) payment shall be forwarded to the pilot upon verification of the pilot's having completed all aspects of the move, provided the move is made within the time limits (or authorized exceptions thereto) specified in this Section.
 - d. If a pilot's spouse is an employee of the Company and both are eligible for a Company relocation allowance, only the greater of the 2 allowances shall be paid.
- 3. Insurance for replacement cost of furnishings up to \$250,000.
- 4. Maximum of 90 days of temporary storage.
- 5. Reimbursement of rental fee for truck/trailer and fuel when pilot moves himself, in lieu of being moved by commercial carrier. Original receipts must be submitted to the Company within 60 days of incurring the expenses in order to be eligible for reimbursement.
- 6. Movement of household goods shall include transportation of 1 automobile if the move is more than 750 miles except that 2 automobiles may be moved to U.S. domiciles outside the contiguous 48 states.
- 7. One pickup at current residence and one delivery at new residence.
- 8. Marketing Assistance
The purpose of marketing assistance is to provide an estimate of the property value and to facilitate sale of the pilot's primary residence. The pilot must own the home from which he is moving and for which this assistance is provided. This benefit must be used before initiation of the third-party home purchase plan. Marketing assistance includes the following:
 - a. Counseling on home sale issues with a marketing assistance expert.
 - b. Assignment of a sales associate for the pilot.
 - c. Inspection of the property by the sales associate.
 - d. Completion of a detailed marketing analysis by the sales associate.
 - e. Review of the analysis with the pilot to determine a list price.
- 9. Reimbursement of Costs Associated with Sale of Current Residence.
Sale of residence must occur within 18 months of the pilot's activation. The residence sold must be the permanent residence of the pilot and his family. A pilot must provide to the relocation department a signed copy of the settlement statement within 18 months of his activation date. The property must be a single family dwelling or individually owned condominium or cooperative. The sale of residence benefits are limited to the following:
 - a. Realtor's commission not to exceed 6 percent of the sale price of the residence, unless a higher percentage is authorized by the designated company official, based on prevailing market conditions.
 - b. Title search and title insurance.
 - c. Abstract continuation fees.
 - d. Reasonable attorney fees excluding fees for correcting title defects, etc.
 - e. Escrow agent settlement fee, not to include monies placed in escrow.
 - f. Deed preparation fee.
 - g. Notary fee.
 - h. Legally required inspection fee and termite inspection (not treatment).
 - i. Transfer tax, document stamps and recording fees.
 - j. One appraisal fee if legally required.

- k. Loan transfer fees.
 - l. Maximum of \$2,500 in discount points if required (Veteran loan).
10. Reimbursement of Costs Associated with the Purchase of New Permanent Residence.
- The purchase must be made within 18 months of the pilot's activation date. The residence purchased must be the permanent residence of the pilot and his family and must be a single family dwelling or individually owned condominium or cooperative. The pilot shall furnish the relocation department with a signed copy of the settlement statement within 18 months following his activation date. Reimbursable costs do not include property taxes, interest, hazard insurance or mortgage insurance. This provision does not apply to mobile homes or boats. The purchase of residence benefit is limited to the following:
- a. Reimbursement of reasonable attorney fees related to the sale and closing of a new residence, but not to include payment of attorney fees for alleged breaches of a contract to purchase same.
 - b. Reimbursement of 1 appraisal fee.
 - c. Reimbursement of credit report fee.
 - d. Reimbursement of title insurance (this does not include optional coverage).
 - e. Reimbursement of loan application/origination/assumption fee, up to 1% of loan amount.
 - f. Reimbursement of loan commitment fee.
 - g. Reimbursement of notary fee.
 - h. Reimbursement of document preparation fee.
 - i. Reimbursement of discount points with a \$3,000 maximum.
 - j. Reimbursement of tax service fee.
 - k. Reimbursement of amortization schedule.
 - l. Reimbursement of VA funding fee.
 - m. Reimbursement of federal and local transfer fees, stamps and recording fees.
 - n. Reimbursement of applicable survey fees.
 - o. Reimbursement of lender's inspection fee.
 - p. Reimbursement of reasonable inspection fees including fees for the detection of radon.
11. Third-Party Home Purchase Plan.
- a. This benefit is provided to assist a pilot in the sale of his current residence. A pilot is required to use the marketing assistance program before this benefit is utilized. A pilot must request the third-party purchase plan within 4 months of his activation date. The property must be a single family dwelling or a condominium, located in the United States, which the pilot owns and which is his permanent residence, and which is not a mobile home or boat. The property must not contain unacceptable levels of radon gas (EPA guidelines used). The Company shall determine the eligibility of the property to be purchased for purposes of the application of this paragraph; and that determination shall not be unreasonable.
 - b. This plan shall provide two independent, professional appraisals to determine the current market value of the property, which shall become the purchase price of the home. Current market value shall be determined by averaging the 2 appraisals. If, however, the 2 appraisals differ by more than 5% of the lower appraisal, the third party relocation company shall obtain a third appraisal and market value shall then be determined by

averaging the 2 closest appraisals. The appraisers shall be selected by the pilot from a list of 5 provided by the Company. The Company shall notify the pilot of the purchase amount, and the pilot shall have 45 days from notification to accept the purchase price. If the pilot accepts that price, the third-party company shall purchase the residence at the values established herein and handle all paperwork related to the closing. The pilot and his family must be prepared to vacate their residence within 60 days after accepting the offer.

- c. The Company shall pay the pilot 2% of the lower of the contract sales price or the appraised value if:
 - i. the pilot secures a buyer; and
 - ii. the third party company closes the transaction; and
 - iii. the Company's overall costs do not exceed 12% of the lesser of the contract sales price or the appraised value (not including the 2% bonus paid to the pilot).
- d. Other Limitations
 - i. A pilot may not sign a real estate listing agreement without first advising the relocation department.
 - ii. Synthetic stucco homes are ineligible for third party home purchase.
 - iii. Except when specifically waived by the Company, the Company will not pay more than 1.25 million dollars for a home under the third party home purchase program.
 - iv. Homes in which a part is used for commercial (non-residential) purposes.
 - v. Historical home sites.
 - vi. Cooperative homes.
 - vii. Homes in such poor condition that appraisers, realtors, and other service providers refuse the assignment.
 - viii. Residences that are not complete.

12. Air Transportation for Housing Searches and Relocation to Domicile

Air transportation for a pilot and his spouse shall be provided to the new domicile for housing searches and relocation to such domicile. Travel request(s) shall be processed through the Relocation Department. A pilot eligible for this benefit shall use the Company designated travel group or department or Company jumpseats. If a pilot or eligible spouse chooses to use Company jumpseats, the jumpseat priority shall be business travel. A pilot shall be eligible for 7 round trips/14 one-way trips, including business jumpseats, at the pilot's election (or any combination thereof) for housing searches/relocation to domicile, which he may distribute among his immediate family (pilot, spouse and eligible dependents) in any manner that will facilitate the housing search/relocation to the new domicile.

13. Lease Cancellation Reimbursement

A pilot who incurs a lease cancellation penalty on his residence shall be reimbursed for such penalty, up to a maximum of 6 months rent. The pilot shall provide the relocation department with a copy of the lease at the time he submits a request for reimbursement. The leased or rented residence must be the pilot's permanent residence. Cleaning fees and loss of deposit due to damage are not reimbursable.

14. Income tax gross up benefits as provided in the Personnel Policy and Procedure Manual (3-86) dated October 2003.

D. Relocation Packages #2 and #2.a.

1. Relocation package #2 includes all benefits associated with relocation package #1 with the exception of Section 6.C.9., C.10., C.11., C.12. and C.13. (above).
2. Relocation package #2.a. consists only of the movement of household goods, as described and limited in Section 6.C.1. A pilot who fails to complete a relocation and is required to reimburse the Company package #2.a., shall do so in accordance with Section 6.B.9. (Reimbursement Schedule). A pilot who receives a relocation package #2.a. is not required to change his permanent residence or relocate his family. A pilot who is eligible for a relocation package #1 or #2 may elect a relocation package #2.a. in lieu thereof.
3. An eligible pilot who chooses not to move household goods under a relocation package #2.a. but who nevertheless establishes a secondary home or apartment (a "crash pad") within 30 miles of his domicile/base, may apply for and shall receive an allowance of 16 CH, except that an FDA crash pad move shall receive an allowance of 32 CH multiplied by the pilot's hourly rate of pay. In cases of special circumstances, a pilot may request that Human Resources, AOD approve a larger acceptable radius for his crash pad. A pilot may apply for and shall receive this allowance following his activation into his new crew position and establishment of the crash pad. If a pilot fails to provide documentation that he has occupied the crash pad for a continuous period of 12 months, the pilot shall reimburse the Company 100% of the allowance paid by the Company.

E. Foreign Duty Assignment (FDA)

A pilot assigned to or leaving an FDA shall be eligible for relocation benefits as follows:

1. Assignment to an FDA
 - a. A pilot assigned to an FDA as a result of an excess or bid to relieve an excess shall receive a relocation package in accordance with Section 6.A.1., A.2. or A.3. (above), as applicable. However, if he receives a relocation package #1, he shall not be entitled to the provisions of Section 6.C.10. (costs pertaining to purchase of new residence) or C.12. (air travel for housing searches).
 - b. A pilot assigned to an FDA location shall be eligible for a relocation package #2 to that location except:
 - i. the cost of transporting that pilot's household goods shall be limited to the lesser of:
 - (a) the actual cost of transporting those goods from the pilot's current permanent residence, or
 - (b) the cost of transporting those goods from the pilot's current domicile (or base in the case of an FDA); and
 - ii. Any cost for the transportation of household goods that is the responsibility of the pilot pursuant to Section 6.E.1.b.i., shall be paid by the pilot to the commercial carrier at the time those goods are transported, and shall not be billed to the Company.
 - iii. This paragraph shall not apply to a pilot whose FDA assignment is his first crew position, or a pilot described in Section 6.E.1.a.(above).

- c. A pilot assigned to an FDA as his first crew position shall be eligible for the relocation package described in Section 6.E.1.b. (above), excluding the relocation allowance described in Section 6.C.2. The pilot, however, shall be eligible for an allowance of \$2,000. That allowance shall be payable upon the completion of the pilot's probationary period, provided he has not voluntarily bid out of the FDA prior to completion of his probationary period. The cost of moving his household goods shall be limited to the lesser of the cost of moving those goods from his current residence or from MEM.
 - d. A pilot may receive relocation benefits prior to being activated into his new FDA crew position in accordance with Section 6.A.8. (Eligibility for Benefits Prior to Activation).
 - e. In addition to the relocation allowance provided in Section 6.C.2., a pilot, other than a pilot assigned to an FDA location as his first crew position, may be eligible for an FDA bonus as follows:
 - i. The amount of the bonus, if any, shall be determined by the Company after consultation with the Association.
 - ii. In no case shall an FDA bonus exceed \$20,000 for each Captain or \$15,000 for each First and Second Officer.
 - iii. The Company may condition a pilot's eligibility to receive or retain the bonus on his activation at the FDA location and/or his service at the FDA location for a minimum period of time. In no case, however, shall the service requirement at any FDA exceed 4 years. The minimum period for the FDA in Subic Bay shall remain 3 years.
 - iv. If the Company and the Association disagree as to the amount of an FDA bonus, if any, the disagreement may be submitted for resolution to the System Board. The System Board shall lack jurisdiction to establish FDA bonuses in excess of the maximums established in Section 6.E.1.e.ii. (above).
 - v. A pilot shall not be eligible for an additional FDA bonus as a result of a change of crew status within the same FDA location.
 - f. A pilot shall be eligible for a total of two round trip/four one-way airline tickets for the purpose of housing searches.
2. Leaving An FDA Assignment
- a. Reimbursement Obligations
 - i. If a pilot receives a relocation package in accordance with Section 6.E.1. (Assignment to an FDA), he shall be subject to the reimbursement provisions of Section 6.B.6. through B.10.
 - ii. If a pilot receives a relocation package in accordance with Section 6.E.1., and subsequently bids to relieve an excess at the FDA location, the following shall apply:
 - (a) he shall be subject to the provisions of Section 6.B.6., as if he had received a relocation package for a new domicile.
 - (b) Section 6.B.6. shall apply notwithstanding his entitlement to a relocation package for his new crew position.
 - (c) If the number of pilots to be excessed from the FDA exceeds the number of pilots who have been activated in the FDA position for 18 months or more, then this paragraph may be waived in seniority order for a number of pilots bidding to relieve the excess not to exceed the difference between the number of pilots to be

excessed from the FDA and the number of pilots who have been activated in the FDA position for 18 months or more.

Example:

- 20 pilots in a crew position to be excessed.
- 15 pilots in that crew position have been activated at FDA for 18 months or more.
- 8 pilots bid to relieve the excess, 2 of whom have been activated at the FDA for 18 months or more.

The 2 pilots who had been activated for 18 months or more have no obligation. Of the remaining 6 pilots, the reimbursement obligation is waived for the 5 most senior pilots. The least senior of those 6 pilots has an obligation under this paragraph.

- b. Paid Relocation When Leaving FDA
- i. A pilot who remains at the FDA location in the same crew position for a minimum of 3 years shall be eligible to receive a relocation package #2 when leaving the FDA location, provided he relocates to his last domestic pre-FDA residence or his new base, at his option. However, if he upgrades to a new crew status at the same FDA location, his 3 year commitment shall be increased by the period of time the pilot is unavailable for line flying due to his training for the new crew status.
 - ii. A pilot who is furloughed from an FDA, shall be eligible for relocation package #2, excluding the relocation allowance described in Section 6.C.2., or 6.E.1.c., provided he relocates to his last pre-FDA residence or to MEM, at his option. If a furloughed pilot is recalled to an FDA base, he shall be eligible for the relocation package provided in Section 6.E.1.c., excluding the FDA bonus, if any, provided in Section 6.E.1.e. However, he shall be eligible for an allowance of \$2,000. If the pilot recalled from furlough is still a probationary pilot, the original payment of that allowance shall continue to be deferred until completion of his probationary period and no allowance shall be paid for the relocation back to an FDA location.
 - iii. Notwithstanding the provisions of Section 6.A.2. and A.3., a pilot who is excessed from an FDA, or who bids to relieve an excess, shall be eligible for a relocation package #2, subject to the provisions of Section 6.E.2.a.ii. (above).
 - iv. A pilot who retires, resigns incident to retirement, or who is terminated (other than for an act involving drugs, violence, or moral turpitude, that would be felonious under either a U.S. statute or the State of Tennessee) shall be eligible for the movement of household goods, including one automobile, and one, one-way ticket for himself, and (if applicable), his spouse and eligible dependents, back to his last domestic pre-FDA residence or his previous domestic base, at his option. If a pilot fails to meet the eligibility standards due to his termination, and the Company does not otherwise grant such, the pilot's spouse and eligible dependents shall be provided the movement of household goods, including one automobile, and each shall be provided the one-way ticket. The same restrictions that apply to other FDA move backs (e.g., time limitations and documentation requirements) apply to moves under this paragraph with time limits being measured from the date of the pilot's termination.

3. Reimbursement Obligations

- a. A pilot shall reimburse the Company for the relocation expenses incurred for his prior relocation package if:
 - i. he received a relocation package for his current crew position (i.e., his prior relocation package); and
 - ii. he receives an FDA award for which the projected training or projected activation date, whichever is earlier, falls within the period of 18 months following his activation into his current crew position.
- b. A pilot covered by Section 6.E.3. (this paragraph), shall reimburse the Company according to the proration schedule set forth in Section 6.B.9. He shall also be subject to the provisions of Section 6.B.10. (withholding of relocation benefits).

4. Additional Weight Limitations

Notwithstanding the weight limit established in Section 6.C.1.a. (above), transportation of household goods shall be limited as follows:

- a. A single pilot shall be limited to 7,500 maximum allowable pounds for household goods plus one automobile.
- b. A married pilot shall be limited to 12,500 maximum allowable pounds for household goods plus one automobile.
- c. A pilot shall be entitled to an additional 1,500 pounds of household goods per non-spousal dependent.
- d. The Company may limit the weight to be shipped by air to 2,500 pounds.
- e. A pilot entitled to a paid relocation upon return from FDA as provided in Section 6.E.2.b. (above), shall be entitled to an increase in the weight limit originally shipped of 10% per year of international residence not to exceed a total increase of 40%.
- f. Notwithstanding the provisions of Section 6.E.4.a. through E.4.e. (above), the weight limitation for a pilot leaving an FDA shall not be less than the amount originally shipped to the FDA plus the increase provided in Section 6.E.4.e. (above).
- g. The Company shall reimburse a pilot (if goods were stored by the pilot without the Company's assistance) or pay the cost for the storage (if the goods were handled by the Company or its vendor) of a reasonable amount of household goods for the duration of the FDA assignment, plus 90 days. The payment of storage costs shall end if the pilot no longer holds a vacancy at the FDA or if the pilot relocates outside the acceptable radius for that base (even if he still holds a vacancy at the FDA).
- h. The Company shall allow up to three additional space-available personal shipments over the course of the FDA assignment from the storage facility to the residence at the FDA; provided, however, that one of the additional shipments (not to exceed 1,000 pounds) may be from a location other than the storage facility. Goods shipped from the storage facility must be goods that have been stored at that facility at the Company's cost, whether directly, or by reimbursement to the pilot. Additional shipments may not exceed a total weight of 3,000 pounds, cumulative. Eligibility for the additional shipments commences on the first anniversary of the completion of the relocation to the FDA at 1,000 pounds with each additional 1,000 pounds accruing on the second and third anniversaries, respectively. In

addition, the Company shall also allow a personal shipment of up to 100 pounds per month over the course of the FDA assignment, with the ability of the pilot to rollover any unused monthly shipment(s) in previous months to subsequent months up to a total of 1,200 pounds; provided, however, that the shipping limit shall be reset to zero on January 1 of each year. A pilot shall have until January 31 to use the accrued, but unused, balance from the previous year.

- i. A pilot shall be responsible for all customs charges associated with his move to and from the FDA.
- j. The Company shall reimburse a pilot up to a cumulative total of \$1,000 for the transportation of pets.

F. Relocation Days Off

1. Any pilot eligible for and exercising a Company paid relocation shall be entitled to a certain number of days off in order to assist in that relocation. The number of days off is based on the following formula:
 - a. For domestic moves (including Anchorage, Hawaii, and Puerto Rico):
 - i. time off is equal to the lesser of the distance between the old and new domicile or actual residence and new domicile, divided by 400 if driving, or 800 if flying; and
 - ii. the result is rounded to the next highest whole number, if applicable.
 - b. For FDA moves, either to or from the FDA, the pilot shall receive 7 days off.
2. The total number of days off provided by the formula may be split into 2 periods.
3. The pilot shall be compensated an R-day value for each trip day or R-day that is dropped (without pay) as a relocation day under Section 6.F. Relocation days that occur on days off shall not be compensated.
4. Credit Hours lost from a pilot's BLG/RLG as a result of Section 6.F. shall be eligible for Make Up.
5. A pilot eligible for a relocation package shall coordinate in advance with his ACP the days off for relocation.
6. Days off for relocation also apply to pilots taking either of the crash pad move options as provided in Section 6.D.2. or D.3.
7. A pilot changing to a geographically different base, who is not entitled to a relocation package, shall request and coordinate with his ACP any schedule that involves dropping activities without pay to facilitate such change of base.

G. General

1. A relocation request form shall be submitted to Human Resources, AOD, to initiate benefit eligibility.
2. A pilot shall advise Human Resources, AOD, in writing of the completion of his relocation. His relocation is complete when he has established a new permanent residence for himself and, if applicable, his spouse and/or dependent children within the acceptable radius of his base within 18 months following his activation date. The Company shall verify completion of a pilot's relocation based on objective factors.
3. In extenuating circumstances, Human Resources, AOD, may deem that a pilot has completed his relocation even though some of the factors ordinarily establishing a completed relocation are absent. If the pilot subsequently fails to complete his relocation, as provided in Section 6.G.2., the pilot shall be deemed never to have relocated and shall be obligated to reimburse the Company in accordance with Section 6.B.8.
4. The Company may request documentation to establish that a pilot has completed a relocation, as provided in Section 6.G.2. The documentation may include, but is not limited to, settlement statements relating to the purchase and/or sale of residences, verification of the movement of household goods and automobile(s) to the new location, verification of the permanent relocation of a pilot's spouse and/or dependent children under the age of 18 years, if applicable, establishment of a pilot's residence at the new location for purposes of applicable property or state income taxes, driver's license, automobile registration and voter's registration. A pilot shall submit documentation requested by the Company in accordance with this paragraph.
5. If a pilot becomes obligated to reimburse the Company for expenditures related to relocation, he may request of Human Resources, AOD, a repayment schedule based on a mutually agreeable per pay check amount. If the parties are unable to agree on an amount to be deducted per pay check, the Company is authorized to initiate a payroll deduction as provided in Section 3.E.1.a.vi. Unless mutually waived by both the pilot and Human Resources, AOD, the maximum period allowed for repayment under this provision shall not exceed nine (9) months.
6. Notwithstanding the provisions of Section 6.G.5. (above), if a pilot's obligation to reimburse the Company for expenditures related to relocation becomes the subject of a grievance filed pursuant to Section 20, the period contained in Section 6.G.5., shall not commence until final resolution of that grievance pursuant to Sections 20 and 21.
7. A pilot's eligibility for staging jumpseat travel status as a pilot commuting to and from work at his new base expires 30 days following his receipt of the full relocation allowance provided in Section 6.C.2.
8. The Company may extend any of the time limits contained in Section 6 on a non-precedential basis. A pilot's request for such extension shall be submitted in writing to Human Resources, AOD, and shall contain a complete description of the reasons for which the extension is requested. The request shall be made prior to the expiration of the applicable time limit and shall not be unreasonably denied.

9. Notwithstanding other provisions in this Section, if a pilot is forced to leave his current geographic domicile (or base in the case of an FDA), due to legal restrictions, furlough, or involuntary excess such pilot shall not incur any reimbursement obligations pursuant to this Section.

SECTION 7 VACATION

A. General

1. A pilot shall receive 6 CH for each day of accrued vacation.
2. A vacation day shall be a 24 hour period corresponding to the local base day. A vacation period is a series of consecutive days posted and awarded as provided in Section 7.C. (below), and rescheduled, if applicable, as provided in Section 7.A.9. or E. (below).
3. A pilot may not be assigned a trip in conflict with his vacation period.
4. A pilot shall not be permitted to trip trade into, out of, or within his vacation period.
5. A pilot must have a vacation credit hour bank balance greater than zero to take a vacation period.
6. On the implementation date of this Agreement, vacation days previously scheduled or accrued shall be retained.
7. When a pilot's employment with the Company terminates (including retirement), he shall be compensated for all vacation time accrued and not taken. The amount of this vacation compensation shall be based on the pilot's last rate of pay and computed at the rate of 6 CH per day. If a pilot has a negative vacation bank balance, his final compensation settlement shall be reduced by his negative vacation bank credit hour balance at his current pay rate.
8. In the event of a pilot's death, any earned and unused vacation credit shall be paid to his beneficiary or to his estate. If a pilot has a negative vacation bank balance, his estate's final compensation settlement shall be adjusted accordingly.
9. In extenuating circumstances, a pilot may request that his flight manager approve an immediate, unscheduled vacation.
10. For purposes of this Section, a "year" shall be a calendar year.
11. As provided in Section 4.I.10, Section 14.A.7., Section 25.L.12.d. (Emergency Drop), and Section 25.Z.3. (Bereavement Absence), a pilot may use available hours in his vacation bank to cover annual military training, to preclude or delay going on disability, for personal emergencies, and to add additional days for bereavement absence.

B. Vacation Accrual

1. A pilot shall accrue vacation to be taken in the following calendar year based on his longevity as a pilot as of December 31 of the current calendar year.
 - a. A pilot with less than 1 year longevity shall accrue 1.5 days per month for the first 10 months in an active pay status during the year.
 - b. A pilot with longevity of at least 1 year, but less than 4 years shall be eligible for 15 days vacation.
 - c. A pilot with longevity of at least 4 years, but less than 5 years, shall be eligible for 15 days vacation plus a pro rata share based on his longevity and the pro rata formula in Section 7.B.5. (below).
 - d. A pilot with longevity of at least 5 years, but less than 9 years, shall be eligible for 22 days vacation.
 - e. A pilot with longevity of at least 9 years, but less than 10 years, shall be eligible for 22 days vacation plus a pro rata share based on his longevity and the pro rata formula in Section 7.B.5. (below).
 - f. A pilot with longevity of at least 10 years, but less than 19 years, shall be eligible for 29 days vacation.
 - g. A pilot with longevity of at least 19 years but less than 20 years shall be eligible for 29 days vacation plus a pro rata share based on his longevity and the pro rata formula in Section 7.B.5. (below).
 - h. A pilot with longevity of 20 years or more shall be eligible for 36 days vacation.
2. If a pilot does not complete 10 months in an active pay status during a calendar year due to retirement, furlough, disability, or unpaid leave(s) of absence (Section 13), other than leave due to on-the-job injury, he shall not be entitled to the full accrual as per Section 7.B.1. (above). That pilot's vacation accrual shall be 1/10th of the full accrual for each calendar month the pilot is in an active pay status. For purposes of this paragraph, a month shall be counted if the pilot is not retired, or on furlough, disability or unpaid leave of absence for more than 15 days during that month.

Example-1: A pilot incurs a disabling event on December 31, 1998. He is on sick leave from January 1, 1999 until March 1, at which time his sick bank is exhausted. He is then on STD and returns to active service on June 15. The pilot is in active pay status for 9 months (Jan., Feb., and June through December). His vacation accrual (i.e., to be used in the year 2000), is reduced by 1/10th.

Example-2: A pilot actively flew the line until his retirement on July 29, 1999. Since the pilot completed 7 months in an active pay status in 1999, his vacation accrual for the year 2000 is 70% of his normal full accrual. The pilot will be paid for this vacation after retirement, as part of his 1999 wages.
3. The month in which a pilot is hired shall count for vacation accrual purposes only if his hire date is on or before the 15th day of that month.
4. Fractions of an accrued vacation day shall be rounded to the nearest whole day.

5. Vacation days earned on a pro rata basis (as described in Section 7.B.1.c., B.1.e., and B.1.g.) shall be computed at a rate of 0.7 days per month for each month of service, up to 10 months per calendar year, subject to the provisions of Section 7.B.4. (above).

Example:

Hire Date: June 18, 1994

Vacation calendar year 1999 = 15 regular days plus 4 extra days
(6 mos. X 0.7 = 4.2 days rounded to 4 days)

C. Vacation Bidding Procedures

1. Vacation shall not be cumulative and must be taken within the calendar year following the year in which it is earned except for an awarded vacation period which carries from one calendar year into the next, and except as otherwise provided in this Section. Vacation bids shall be awarded on the basis of seniority within each crew position.
2. A pilot's crew position for a vacation bid shall be the crew position he holds at the close of such bid. However, a pilot who has been awarded, but has not yet been activated in, a new crew position as a result of a base closure shall bid vacation in his new crew position.
3. Vacation shall be bid and awarded as follows:
 - a. Available 7 day vacation slots for the next year shall be distributed concurrent with the bid period package published closest to August 1. The first vacation bid shall open on the date indicated on each vacation bid pack and close at noon, 14 days later. The first vacation bid awards shall be published 7 days after the first vacation bids have closed.
 - b. The second vacation bid shall be distributed concurrent with the first bid period package published after the first vacation bid closes. The second vacation bid shall open on the date indicated on each vacation bid pack and close at noon, 14 days later. The second vacation bid awards shall be published 7 days after the second vacation bids have closed.
 - c. The third vacation bid shall be distributed in the first bid period package published after the second vacation bid closes. The third vacation bid shall open on the date indicated on each vacation bid pack and close at noon, 14 days later. The third vacation bid awards shall be published 7 days after the third vacation bids have closed.
 - d. The fourth vacation bid shall be distributed in the first bid period package published after the third vacation bid closes. The fourth vacation bid shall open on the date indicated on each vacation bid pack and close at noon, 14 days later. Fourth vacation bid awards shall be published 7 days after the fourth vacation bids have closed.
4. If a pilot fails to submit a bid, or submits an insufficient number of bids, he shall be assigned a vacation period(s) when the fourth vacation bid awards are published.
5. For vacation award purposes, a vacation period that extends into a subsequent vacation slot by 4 or more days shall occupy both slots.

6. A sufficient number of vacation slots shall be available for bid to cover all anticipated vacations in each crew position. Available vacation slots for a month for a crew position shall not be less than 3% of the total annual vacation time to be awarded for that crew position; provided, however, that there must be at least 1 slot available for bid in each crew position each month.

D. Splitting Vacations

A pilot may split his vacation into as many as 4 separate periods provided each period contains a minimum of 7 days vacation; provided further, however, that a pilot who has accrued fewer than 7 vacation days in the previous calendar year shall take all accrued vacation days as a single period. Once awarded, a period of vacation may not be split.

E. Change, Slide and Expansion of Vacation

1. Vacation Change

- a. A pilot may exchange his vacation slot(s) for an open slot(s) in his crew position or trade his slot with another pilot in the same crew position; any other change in a pilot's vacation slot requires the approval of flight management. A pilot who wishes to exchange or trade a vacation slot must accomplish the exchange/trade no later than 30 days prior to the beginning of the affected bid period.
- b. Change of Crew Position
 - i. A pilot changing crew positions shall retain his previously awarded or assigned vacation period(s).
 - ii. If a pilot is unable to take his scheduled vacation due to a conflict with initial, transition or upgrade (ITU) training, and he is then activated with more than 120 days remaining until the end of the last bid period in the calendar year, then within 30 days following activation into his new crew position, he shall select a different vacation period(s). His selection shall be made from among the following slots in the current year:
 - (a) open slots; or
 - (b) slots currently held by any junior pilot in the new crew position; or
 - (c) slots retained by any junior pilot who is scheduled to activate in that same new crew position within 120 days following the pilot's activation into his new crew position.
 - iii. Notwithstanding Section 7.E.1.b.ii. (above), if fewer than 3 slots are available for selection when the pilot activates, Section 7.E.1.b.iv. (below), shall apply.
 - iv. If a pilot is unable to take his scheduled vacation due to a conflict with ITU training, and he is activated with 120 days or less remaining until the end of the last bid period in the calendar year, he may select a different vacation period as provided in Section 7.E.1.b.ii. (above). If no selection is made within 30 days following his activation, Section 7.E.1.b.v. (below), shall apply.

- v. If a pilot's vacation is not rescheduled as provided in Section 7.E.1.b.ii., or E.1.b.iv. (above), his vacation slot shall be bought back subject to the provisions of Section 7.G.6. (below), or, as an exception to the 40% buy back, the pilot may request to have the credit hours of vacation affected by the training in Section 7.E.1.b.ii (above) paid. Any vacation not bought back shall be a positive adjustment to the pilot's vacation bank for the following year. A vacation change or buy back required in connection with a crew position change shall not be considered a vacation cancellation.
- vi. Selection of a junior pilot's vacation slot shall not impact the junior pilot's vacation award.
- c. A pilot with vacation scheduled in a bid period in which he is in pay only bidding status as a result of sick leave may elect to take his vacation as scheduled or reschedule that vacation (as provided in Section 7.E.1.b.). For purposes of this paragraph, a pilot's vacation credit hour bank shall be reduced by 6 CH for each day of vacation in his pay only bid period, and the remainder of his BLG/RLG shall be charged to his sick bank. An election to reschedule that vacation shall be made no later than the close of bidding for the bid period in which the vacation is scheduled.

2. Vacation Period Slide

- a. A pilot may enter a vacation slide submission during the Conflict Input Window immediately before the bid period in which a trip(s) affected by the slide (or the vacation period itself, if no trip is affected) is scheduled to begin, as provided in Section 25.E.2. (Conflict Input Window). A pilot may adjust his vacation period by sliding it up to a maximum of 5 days in either direction. However, the slide shall not reschedule any portion of that vacation into the preceding bid periods of November or December. A vacation period of more than 7 days, that begins in one bid period and ends in the following bid period, may be slid up to a maximum of 5 days in either direction.

Example: A vacation in the first week of January may not be slid back into December, but a vacation in the first week of February may be slid back into January. The slide must be accomplished during the Conflict Input Window for the January bid period, (which is in late December).

- b. A pilot may slide a vacation to conflict with a carryover trip as provided in Section 7.E.2.a. (above), only if he submits for the slide during the Conflict Input Window associated with the award of bid period in which the carryover trip began [e.g., the Conflict Input Window in the end of November (i.e., the Conflict Input Window for the December bid period award) is used to slide a January vacation to conflict with a December into January carryover trip].
- c. If a pilot slides his vacation period to within 48 hours of the scheduled end of a trip in which the last activity is an international duty period, that trip shall be deemed in conflict with the vacation period, except for a trip described in Section 12.D.1.c.i.
- d. There is no maximum limit on the number of credit hours that may be touched by a vacation slide.

3. Vacation Expansion (Regular Line Holders)

- a. In addition to or in lieu of a vacation slide, a pilot awarded a regular line may expand his vacation period in either or both directions to conflict with a greater number of credit hours. However, a pilot may not expand his vacation from December into November, or from January into December. A pilot may submit for a vacation expansion during the Conflict Input Window immediately before the bid period in which a trip(s) affected by the expansion is scheduled to begin, as provided in Section 25.E.2.
- b. A vacation expansion shall not cause a vacation conflict that exceeds the credit hour value of the original vacation period by more than 6 CH. All days in the expanded vacation period shall be consecutive.
- c. A pilot may not expand his vacation period to conflict with a trip(s) that begins outside the bid period of his vacation as awarded or slid. However, a pilot awarded vacation that extends into the next bid period may expand within either bid period.

Example: A pilot awarded a 7 day vacation period in week 1 of August may slide his vacation back so that it overlaps both the August and July bid periods. He may then expand his vacation period to hit trips in either July or August in accordance with normal expansion rules.

- d. A vacation period may not be expanded to cause a vacation conflict with a trip(s) that is scheduled to operate in whole or in part on the following days (i.e., base days): Thanksgiving Day, Christmas Eve, Christmas Day, New Years Eve or New Year's Day.

F. Vacation Bank

Each pilot shall have a vacation credit hour bank established at the beginning of the bid period commencing closest to January 1, each year, based upon the vacation hours he has accrued (as provided in Section 7.B.). A pilot's vacation credit hour bank shall be calculated by multiplying the number of vacation days by 6 CH. A pilot's bank shall be adjusted for positive balances (as provided in Section 7.I.3.d., 7.E.1.b.v., or 7.G.5.c.), or negative credit hour balances from the previous year's vacation bank.

G. Vacation Bank Administration

1. Regular Line Holder

A regular line holder shall be removed from a trip(s) in conflict with his vacation period (as awarded or slid) or vacation expansion. Conflict with an international duty free buffer, as described in Section 12.D.1.d., shall constitute a conflict with the trip protected by that buffer and may not be waived. The SCH value of the removed trip(s) shall be deducted from the pilot's vacation credit hour bank.

Intent: A vacation period slides as a whole.

2. Secondary/Custom Line Holder

- a. A pilot shall receive a 48 hour duty free vacation buffer at each end of his vacation period provided that the buffer occurs in a bid period in which the pilot is awarded a secondary line. A vacation buffer shall not extend outside the bid period(s) in which the vacation occurred. A vacation buffer shall not create a conflict with a trip that began in the previous bid period.
- b. A secondary line holder's vacation credit hour bank shall be reduced by 6 CH for each day of vacation in the bid period not in conflict with a carryover trip or R-day, excluding the vacation buffer provided in Section 7.G.2.a. (above).
- c. If a secondary line holder's vacation period conflicts with a scheduled trip(s) or R-day(s), (e.g., carryover trip from the prior bid period, vacations spanning two bid periods) the pilot shall be removed from that trip(s) or R-day(s) and the following shall apply:
 - i. A conflict with an international duty free buffer (as provided in Section 12.D.1.d.) shall constitute a conflict with the trip protected by that buffer.
 - ii. A pilot's vacation credit hour bank shall be reduced by the SCH of any trip(s) removed and/or the R-day credit hour value for any R-day(s) removed.
 - iii. A pilot may waive the vacation buffer within the Conflict Input Window to avoid a conflict.
 - iv. A vacation buffer that touches a trip(s) or R-day is a conflict. A vacation buffer that touches an international buffer is not a conflict.
- d. The following apply when a secondary line is awarded to a pilot with a scheduled vacation in the bid period.
 - i. A secondary line shall not be constructed with a trip(s) or R-day(s) in conflict with the vacation period or a vacation buffer.
 - ii. Days constituting a vacation buffer shall be constructed as scheduled days off on that secondary line.
 - iii. For purposes of Section 25.D.2. (secondary line construction), hours deducted from the pilot's vacation credit hour bank for the bid period, other than carryover credit hours from the previous bid period, shall be considered as trip credit hours.
 - iv. For purposes of Section 7.E.1. (Vacation Change), hours deducted from the pilot's vacation credit hour bank for the bid period, other than carryover credit hours from the previous bid period, shall be considered as trip credit hours constituting a trip guarantee.
 - v. For purposes of minimum days off protection, vacation days shall not be considered days scheduled free from duty; vacation buffer days shall be considered days scheduled free from duty. Section 12.D.1.d. (international trip buffer), shall not apply when constructing a secondary line for a pilot with vacation in the bid period.

- e. A secondary line holder may adjust his vacation period by sliding it up to a maximum of 5 days in either direction, except that the slide shall not reschedule any portion of that vacation into the preceding bid period. However, a vacation period that is scheduled for more than 7 days, that begins in one bid period and ends in the following bid period, may also be slid up to a maximum of 5 days in either direction. A vacation slide submission shall be entered during the Conflict Input Window for that vacation period.
 - f. The provisions of Section 7.G.2. shall apply to a pilot assigned a custom line (as provided in Section 25.I.1.a., and 25.I.1.e.).
3. Reserve Line Holder
- a. A pilot shall receive a 48 hour duty free vacation buffer at each end of his vacation period provided that the buffer occurs in a bid period in which he is awarded a reserve line. A vacation buffer shall not extend outside the bid period(s) in which the vacation occurred. A vacation buffer shall not create a conflict with a trip that began in the previous bid period.
 - b. A reserve line holder's vacation credit hour bank shall be reduced by the R-day value for each day of vacation in the bid period.
 - c. If a reserve line holder's vacation period conflicts with a scheduled trip(s) or R-day(s), (e.g., carryover trip from the prior bid period, vacations spanning two bid periods) the pilot shall be removed from that trip(s) or R-day(s) and the following shall apply:
 - i. A conflict with an international duty free buffer (as provided in Section 12.D.1.d.) shall constitute a conflict with the trip protected by that buffer, and may not be waived.
 - ii. A pilot's vacation credit hour bank shall be reduced by the SCH of any trip(s) removed and/or the R-day credit hour value for any R-day(s) removed.
 - iii. A pilot may waive the vacation buffer during the Conflict Input Window to avoid a conflict with that buffer.
 - iv. A vacation buffer that touches a trip(s) or R-day is a conflict. A vacation buffer that touches an international buffer is not a conflict.
 - d. A reserve line awarded to a pilot with a scheduled vacation in the bid period shall be reconstructed as follows:
 - i. A pilot's reconstructed line shall contain the originally scheduled blocks of R-days that did not conflict with vacation (or the vacation buffer), unless the number of R-days in those block(s) plus the number of vacation days exceeds the number of R-days in the bid period, (i.e., the pilot's vacation conflicts with fewer R-days than the number of vacation days). In that case, the line shall be reconstructed preserving the greatest number of originally scheduled R-day blocks as possible.
 - ii. A pilot may enter preferences for reconstruction of his reserve line during the Conflict Input Window (as provided in Section 25.E.).
 - iii. A reserve line shall not be constructed with R-days in conflict with the vacation period or a vacation buffer.
 - iv. Days constituting a vacation buffer shall be scheduled days off on the reconstructed reserve line.

- v. For purposes of Section 25.D.3. (Reserve Line construction), vacation days are considered R-days. Section 25.D.3.c. (mini-block R-days), shall not apply when reconstructing a reserve line for a pilot with vacation in the bid period.
- vi. For purposes of determining RLG (as described in Section 4.C.), vacation days are considered R-days. Credit hours deducted from the pilot's vacation credit hour bank (as described in Section 7.G.3.b.) shall be credited toward the pilot's RLG.
- vii. A reserve pilot's leveling position for the remainder of the bid period shall include an R-day value for each day of vacation beginning with his first R-day following his vacation.
- viii. For purposes of minimum days off protection, vacation buffer days shall be considered days scheduled free from duty.
- ix. If a pilot's reserve line is voluntarily converted, as provided in Section 25.D.4. (Conversion Lines), his converted line shall be constructed as provided in Section 7.G.2. (above). A pilot's reserve line may not be involuntarily converted (as provided in Section 25.D.4.e.) in a bid period in which he has a scheduled vacation.

e. Reserve Vacation Extension

A pilot with vacation during a month in which he holds a reserve line may extend the vacation that occurs in that month. Vacation buffers shall then be added to the extended vacation as provided in Section 7.G.3.a., unless waived by the pilot.

- i. The maximum extension shall be determined by the following formula:

Maximum Extension = $\{[(\text{Number of vacation days (as awarded or slid) in the bid period multiplied by 6) + 6}] \div \text{R-day value}\}$ rounded down) minus the number of originally scheduled vacation days in the bid period.

Example: A pilot has a 7 day vacation period in a bid period in which the R-day value is 4:36. The maximum extension is

$$\begin{aligned} & \{[(7 \times 6) + 6] \div 4.600\} - 7 \\ &= [(42 + 6) \div 4.600] - 7 \\ &= (10.434 \text{ rounded down}) - 7 \\ &= 10 - 7 = 3. \end{aligned}$$

Consequently, the pilot could add up to three days to his vacation period. This would give him a total of 14 days (presuming buffers could fit on both ends of his vacation period as extended). The pilot's vacation bank would be charged 46 CH (10 x 4.600), but only 7 vacation days would be removed from his vacation accrual.

- ii. A pilot may enter a vacation extension submission during the Conflict Input Window immediately before the bid period in which the vacation is scheduled to occur.
- iii. A pilot may not extend his vacation (as awarded or slid) outside of the bid period.

- iv. In case of a vacation period scheduled to span 2 bid periods, if the pilot holds a reserve line in both bid periods, then for purposes of vacation extension, the vacation in each month shall be treated as if it were a separate vacation period.

Example: A pilot's 10 day vacation period has 7 days in one bid period and 3 days in the next. The pilot holds a reserve line in both bid periods. R-day value in the first bid period is 4:36; in the second it is 4:47. The pilot may extend his vacation a maximum of 3 days in the first bid period (which must expand backward, since he can't expand outside of the bid period). The vacation in the second month is treated as if it were a stand alone 3 day vacation period, for purposes of expansion. His maximum expansion would be $3 \times 6 = 18 + 6 = 24 \div 4.783 = 5.017$ rounded down = 5 minus 3 = 2 days of available extension.

- v. A pilot may not extend his vacation period to conflict with a trip(s) that begins outside the bid period of his vacation as awarded or slid.
 - vi. A vacation period shall not be extended to cause conflict with R-days scheduled on Thanksgiving Day, Christmas Eve, Christmas Day, New Years Eve or New Year's Day.
4. If the SCH value of a pilot's last vacation period in a year exceeds the balance in his vacation credit hour bank, he may elect to reduce the number of vacation days in his vacation period in order to avoid or reduce a deficit in his vacation bank. A pilot shall communicate this election to CRS during the Conflict Input Window.
5. Vacation Deficit and Make-Up
- If a pilot's vacation credit hour bank balance falls below the credit hour value of his remaining vacation in a calendar year, the following shall apply:
- a. The pilot may bid for a make-up vacation trip(s) during the View/Add window for the bid period in which the pilot has a vacation period that, if taken as scheduled, would result in a vacation bank deficit. The credit hour of the make-up vacation trip(s) shall not exceed the projected deficit by more than 6 hours.
 - b. The pilot may submit for a make-up vacation trip(s) (as provided in Section 25.L.5.) at any time during the calendar year.
 - c. Make-up vacation credit hours earned in the last bid period of a calendar year (i.e., December), shall be credited to the pilot's vacation credit hour bank for the following calendar year.

6. Clearing the Bank

- a. A pilot who has a positive balance in his vacation bank after his last vacation period of the year shall be paid for those credit hours, prior to the end of the year, at his pay rate at the beginning of the bid period in which the buy back is paid. The maximum balance subject to buy back is 40% of the vacation bank balance as of the beginning of the calendar year, including positive or negative adjustments from the previous year, plus positive adjustments in the current year, if any.
- b. Flight management may approve vacation buy back in excess of the 40% limit contained in Section 7.G.6.a. (above), due to a pilot's extenuating circumstances.

H. Disruption of Vacations

1. If a pilot's trip operationally extends more than 2 hours but less than 26 hours into his vacation period, 6 CH shall be added to his vacation bank and 1 day shall be added to his next vacation period.
2. If a pilot's trip operationally extends at least 26 hours but less than 48 hours into his vacation period, 18 CH shall be added to his vacation bank and 3 days shall be added to his next vacation period.
3. If a pilot's trip operationally extends 48 hours or more into his vacation period, the following shall apply:
 - a. The pilot may elect to cancel his vacation period and have an additional 24 hours credited to his vacation bank. The credit hours for the canceled vacation shall be restored to the pilot's vacation bank, and he shall be eligible for substitution for the trip(s) from which he was removed for the vacation that was canceled; or,
 - b. The pilot may elect to take the remainder of his vacation period, as scheduled, and have an additional 24 CH credited to his vacation bank.

I. Cancellation of Vacation

1. A pilot's vacation period may be canceled due to operational requirements.
2. If a pilot voluntarily cancels his vacation at Company request, he shall be paid, not later than the following bid period, the CH value of the canceled vacation, not to exceed the balance in his vacation credit hour bank, plus an additional 24 CH. The credit hour value of the canceled vacation shall be deducted from the pilot's vacation bank.

3. If a pilot's vacation is involuntarily canceled, the following shall apply.
 - a. The pilot shall be notified of the cancellation in writing at least 30 days in advance.
 - b. The pilot's vacation bank shall be increased by 24 CH.
 - c. The pilot may reschedule the canceled vacation period to a currently open vacation slot(s) or to a slot(s) held by any pilot junior to him in his crew position. The junior pilot's vacation award shall not be impacted.
 - d. If the pilot is unable to reschedule the canceled vacation period as provided in Section 7.I.3.c. (above), the vacation hours shall be carried over into the following year.
 - e. Notwithstanding Section 7.I.3.c. and I.3.d. (above) the pilot may elect to be paid the credit hour value of his canceled vacation period, plus the additional 24 CH, in the manner provided in Section 7.I.2. (above).

SECTION 8

DEADHEADING

A. Deadheading By Air

The provisions of this paragraph apply to pilots scheduled to deadhead by air transportation.

1. Deadheading To Revenue Operations

A pilot scheduled to deadhead to or from revenue operations shall receive pay and credit as provided in Section 4.F. (Trip Guarantee).

2. Deadheading To Training

A pilot scheduled to deadhead to or from training shall receive deviation bank credit for that deadhead.

3. Selection of Deadhead Carriers

Requirements regarding carrier selection shall apply when the deadhead is scheduled. The Company shall not be in violation of this Section due to operational changes or conditions imposed by passenger carriers after the deadhead is scheduled (e.g., aircraft change).

a. Scheduled Domestic Deadheads

Scheduled domestic deadheads shall be booked exclusively on U.S. certificated air carriers operating under FAR Part 121, except:

- i. when the route of the deadhead travel is not served by an FAR Part 121 U.S. air carrier, and
- ii. when authorized by the SIG.

b. Scheduled International Deadheads

International deadheads shall be scheduled on FAR Part 121 U.S. air carriers or comparable foreign air carriers with comparable jet service.

c. Operational Deadheads

In individual cases of operational necessity and with the approval of the System Chief Pilot, a Regional Chief Pilot or the Duty Officer, a pilot may be scheduled to deadhead on a Company aircraft, chartered jet carrier, Company corporate business jet aircraft or on a scheduled U.S. certificated air carrier operating under FAR Part 135. The SIG shall be advised of the reasons for this action within 5 days of occurrence.

4. Class of Service for Commercial Deadhead Travel

Requirements regarding class of service shall apply when the deadhead is scheduled. The Company shall not be in violation of this Section due to operational changes or conditions imposed by passenger carriers after the deadhead is scheduled (e.g., increased or reduced block time). Regardless of whether such changes occur, a pilot's deviation allowance is based on the class of service authorized in the original schedule.

a. Deadhead travel shall be booked in coach class unless a higher class of service is authorized.

b. A class of service higher than coach shall be authorized if:

- i. a deadhead exceeds 5 scheduled block hours; or
- ii. a deadhead is included in a single duty period exceeding 11:30; or

- iii. the scheduled block hours of a revenue flight plus the scheduled block hours of a deadhead in a single duty period exceed 8 hours. However, if a domestic duty period does not exceed 11:30 and a deadhead within that duty period does not exceed 1:30 (OAG) block, the deadhead may be scheduled in coach.
- c. Higher Class of Service
 - i. If a higher class of service is authorized on a deadhead with less than 10 scheduled block hours, such service shall be booked in Business or First Class at the Company's option, subject to availability on the scheduled flight.
 - ii. If a deadhead has 10 or more scheduled block hours, the travel shall be booked in the following order based upon availability on the scheduled flight:
 - (a) First Class (discounted)
 - (b) Business Class (full fare or discounted)
 - (c) First Class (full fare).
 - iii. If the deadhead is scheduled for more than 16 hours duty, the following shall apply:
 - (a) The flight must be a non-stop flight; and
 - (b) A special booking priority shall apply to deadheads scheduled over 16 hours. That priority shall be:
 - (1) Discounted first class;
 - (2) Full fare first class;
 - (3) Business class; and
 - (c) The Company shall ensure that Corporate Travel (or any subsequent Company designated travel administrator) attempts to secure first class seating at the earliest practical point in the planning process. If Corporate Travel is unable to book first class at the time the initial booking is made, Corporate Travel shall notify the pilot who is awarded that trip, via e-mail, of the unavailability of first class.

Intent: Ordinarily, Corporate Travel will make the reservations for deadheads over 16 hours when the final pairings are complete. Often, and primarily in the domestic system, Corporate Travel waits until several days before departure to issue tickets due to the high level of deviation and the possibility of double billing in those circumstances.

- iv. If neither Business nor First Class is available on the scheduled flight, coach class may be booked with a reservation to upgrade to the appropriate higher class of service.
- v. Regardless of the class of service actually booked, a pilot's deviation bank shall be credited with the highest class of service which is authorized on the scheduled deadhead flight, and which exists on that flight.

Intent:

Pilot 1 is scheduled to deadhead from Memphis to Frankfurt on American. American's first class service was sold out on that flight, so the pilot was scheduled in business class. Pilot 1's deviation bank is credited with the discounted first class fare on American because that was the highest fare that was both authorized and which existed on that flight.

Pilot 2 is scheduled to deadhead from Memphis to Frankfurt on Northwest through Amsterdam. The KLM airplane to Amsterdam does not offer any first class, so business class is booked. Pilot 2's deviation bank is credited with the Business class fare that was booked because that was the highest fare that was both authorized and which existed on that flight.

d. Company Booking of Higher Class of Service Tickets in Bid Period Package

When booking deadhead tickets prior to the beginning of a bid period, deadhead flights entitled an upgraded class of service shall be booked prior to tickets requiring a lower class of service.

Intent: Corporate Travel books deadhead tickets after the final pairings are complete. In this new deadhead booking process, flights entitled to business/first class at the time the pairings are complete will go to the head of the queue. By moving the booking of these tickets to the earliest practical time in the planning phase, the likelihood of being able to book a higher class (as opposed to being wait listed with an upgrade reservation), is maximized. This procedure is not to be confused with the special booking priority, and enhanced deviation options applicable to deadheads scheduled over 16 hours in a single duty period. Those provisions apply only to deadheads scheduled over 16 hours.

5. Airline Reservations and Tickets

This paragraph shall apply equally to deviation deadhead tickets and Company scheduled deadhead tickets.

a. Making Reservations

A Company designated group or department shall be utilized for making all airline reservations, except when:

- i. the Company cannot issue a ticket for a lower fare than the pilot can obtain himself; or
- ii. the pilot must make the reservation himself to prevent delay to FedEx flight operations.

b. Obtaining Tickets

- i. Pilots shall obtain all deadhead tickets from the Company unless:
 - (a) the assignment to the trip, training event(s) or other duty is not scheduled at least 48 hours in advance; or
 - (b) the Company is unable to deliver the ticket to the pilot due to delivery limitations; or
 - (c) the pilot made the airline reservation himself as provided in Section 8.A.5.a. (above).
- ii. If a pilot does not obtain his deadhead ticket from the Company, he shall use the Company issued Travel Card to purchase such ticket. In extenuating circumstances, a pilot may contact the Company to

arrange a pre-paid ticket, or he may buy a deadhead ticket by other means, if necessary to prevent delay to FedEx flight operations (e.g., carrier won't take the credit card, Travel Card unavailable).

c. Validation and Authorized Use

A pilot must either use his Company paid deadhead ticket in conjunction with the trip for which it was scheduled or return that ticket to the Company with the expense report reconciling his deviation expenses for the month. Upon written request, a pilot shall provide the Company proof of his use of a deadhead ticket.

B. Deadhead by Surface Transportation

1. A pilot who is scheduled for surface transportation between two airports shall receive credit for pay toward the duty period calculation, for such deadhead, based on historical FedEx data as follows:
 - a. :30 CH for each 1 hour, or portion thereof, up to a maximum of 2:30 CH.
 - b. Surface transportation greater than 2 hours must be approved by the SIG.
2. The surface transportation shall be provided on a non-public commercial operator.
3. Surface transportation between an airport and a layover facility is not deadhead by surface transportation, provided that the flights immediately preceding and following the layover operate from the same airport.

C. Deviation From Scheduled Deadhead

The intent of the deviation policy is to allow a pilot business travel flexibility in accordance with the options and conditions specified herein. Except as provided in Section 8.C.1.f.ii., a pilot who deviates is responsible for his scheduled, revised, rerouted or canceled trip. A deviating pilot must ensure his compliance with FAR crew rest requirements prior to operating a Company flight. A pilot who deviates from a scheduled deadhead shall earn trip guarantee as if he were deadheading as scheduled.

1. Deviating Operating Procedures

a. Notification

- i. A pilot shall notify the Company through VIPS of his intention to deviate from a scheduled deadhead at the beginning of a trip. This notification shall occur no later than 60 hours prior to the showtime of the scheduled deadhead.
- ii. Except as provided in Section 8.C.1.a.i. (above), if a pilot is notified of a trip assignment less than 60 hours prior to showtime, upon notification, he shall advise the Company through VIPS of his deviation from a scheduled deadhead at the beginning of the trip.
- iii. If a pilot has provided notification of a deviation, and the deadhead at the beginning of a pilot's trip is subsequently revised, upon notification he shall advise the Company through VIPS of his deviation on the revised deadhead.
- iv. Failure to notify the Company of a deviation as required may result in the deviation bank credit for the appropriate deadhead being deducted from the pilot's deviation bank only if the cancellation of the scheduled deadhead results in a charge to the Company.

Intent: The check-in of 60 hours allows the Company to cancel scheduled deadhead reservations. In many cases, airlines are charging the Company for reservations not canceled more than 48 hours prior to showtime. Otherwise, the Company will be double paying for the deadhead. The Company intends to deduct the deadhead credit from a pilots bank only if the pilot doesn't notify the Company of his deviation in time, and that failure results in the Company not getting credit from the airline.

b. Trip Trade Restrictions After Notification (International Deadheads)

After a pilot provides notification of his deviation from a scheduled international deadhead, he may not trade, drop or authorize a personal bump on the international trip containing the deadhead, unless authorized by CRS, or his ACP. For purposes of this paragraph, an international deadhead shall be a deadhead that originates or terminates in a location outside the contiguous 48 United States, Canada or Mexico.

Intent: This is necessary because, when the pilot notifies the Company of his intention to deviate, the Company cancels the original deadhead reservation in order not to be double charged. Many carriers are requiring cancellation at least 48 hours prior to departure in order to ensure proper credit.

c. Initial Deviation Check-In

A deviating pilot shall check in with VIPS, or CRS if VIPS is not accessible, no earlier than 48 hours and no later than 4 hours prior to showtime of the originally scheduled deadhead at the beginning of a trip. This call will satisfy the requirements of the final deviation check in if the pilot is already in position for the first revenue leg when he makes this call.

Intent: When a pilot makes his initial check-in, VIPS will ask him whether he is already in position for the trip. If so, VIPS will ask whether the pilot is also accomplishing his final check in.

d. Final Deviation Check-In

i. A deviating pilot shall check in with VIPS, or CRS if VIPS is not accessible, and indicate that he is positioned within 100 nautical miles, or at a distance as approved by his ACP, of the airport from which the first revenue flight will depart. This check in must occur as follows:

(a) no later than 8 hours prior to showtime of a revenue flight that operates entirely within North America (i.e., Alaska, Canada, Mexico, 48-States, Caribbean and Puerto Rico); or

(b) no later than 12 hours prior to showtime of a revenue flight that either takes off from, or lands in, a city outside North America.

ii. For purposes of Section 8.C.1.d. (this paragraph) the showtime of a revenue flight shall be one hour prior to the scheduled departure of that flight.

iii. The final deviation check-in may occur at the same time as the initial deviation check-in if the pilot is already in position for the scheduled revenue departure when he makes the initial deviation check-in.

- iv. If a final deviation check-in has not occurred as required, then prior to replacing the deviating pilot, CRS shall place three calls based on the following hierarchy. However, if time does not permit, CRS shall not be required to make these calls.
 - (a) VIPS primary contact number.
 - (b) "Beeper" (or cell phone) number.
 - (c) permanent contact number #1.
 - (d) permanent contact number #2.
- e. Deviation Delay/Failure

If a pilot encounters difficulty in his deviation travel to the revenue departure location to such an extent that a live flight is jeopardized, he shall contact CRS at the earliest opportunity. If the notification to CRS is provided in sufficient time to allow the trip to be covered by a reserve, and the flight is not delayed due to the deviation failure, then the pilot will be dropped from the trip without pay, receive no deviation bank credit for the trip, and shall not be disciplined.
- f. Trip Schedule Change
 - i. If a pilot's trip is rescheduled at or prior to his initial deviation check-in and, as a result, the pilot is unable to report on time, the trip shall be dropped and the pilot shall be eligible for make up.
 - ii. If a pilot's trip is rescheduled after his initial deviation check-in and, as a result, the pilot is unable to report on time, the Company shall make best efforts to reposition the pilot for the trip. If the Company is unable to do so, the pilot shall be eligible for substitution and is authorized return deadhead transportation to base. The cost of the original deadhead tickets shall be deducted from the pilot's deviation bank, however, the cost of the deviation ticket used, and the cost of his return ticket, shall be allowable as a claim, up to the accepted fare for such tickets, regardless of the pilot's deviation bank balance. Such claim shall be specifically documented on a deviation expense report.
 - iii. A VLT/DRF/CMU pilot covered by Section 8.C.1.f.ii., (above), shall not be eligible for substitution and shall earn the greater of 3:00 CH or duty rig computed from his scheduled showtime until the VIPS notification of the revision.
 - iv. A deviating pilot is considered on a trip after the scheduled show time of the pairing. Therefore, if a trip changes after show time, the pairing will be rebuilt to reflect the changes.
- g. Mid-Trip Deviations

A pilot may deviate from a scheduled deadhead between any two revenue segments of a trip only with the prior approval of his ACP, or his designee. All approved SFS mid-trip deviations that were scheduled on the airbridge, require the pilot to inform SFS GOC not later than 24 hours prior to the scheduled airbridge departure, so that the seat reservations may be canceled.

Intent: Scheduled mid trip deadheads are included in a pilot's deviation bank like any other deadheads.
- h. End-of-Trip Deviations

A pilot shall notify the Company of his deviation from a scheduled deadhead at the end of a trip through VIPS:

- i. at least 60 hours prior to the showtime for an international deadhead;
or
- ii. at least 8 hours prior to the showtime for a domestic deadhead, unless the airline requires an earlier notification to avoid cancellation penalties, in which case the deviation notification must occur 12 hours prior to the carrier's no penalty deadline.

Intent: The Company will provide a list of carriers who have cancellation penalty deadlines.

- i. Business Status While Deviating
 - i. A pilot who deviates is considered to be on business travel (and shall be afforded all rights and benefits as such) while traveling under the provisions of this Section.
 - ii. A pilot may book a Company jumpseat as all or part of his deviation travel. A pilot booking a jumpseat for the purpose of a deviation shall be considered in business jumpseat status.

2. Deadhead Deviation Banks

- a. A pilot shall have a deviation bank established for each bid period. The value of the deviation bank shall equal the value of the scheduled deadhead tickets for trips flown during the bid period plus the value of any scheduled deadheads for recurrent training. However, if a deadhead trip is changed or canceled by the company, the deadhead bank monies remain intact. A deadhead associated with a carryover trip shall be credited to the deviation bank for the bid period containing the showtime for the deadhead.

Intent: If the pilot does not fly a deadhead trip the deviation bank will be reduced accordingly ,e.g., drop without pay, bump by another line pilot, trip trade, etc.

- b. A pilot in initial, transition or upgrade training (ITU) shall have a separate deviation bank established for the duration of such training. The training deviation bank shall equal the value of any scheduled deadhead tickets associated with the training.
- c. Deviation expenses associated with ITU training shall be reconciled against the pilot's training deviation bank by submission of an expense report at the end of his training period.

3. Deviation Options and Qualifying Expenses

Subject to the limitations and reporting provisions in Section 8.C.4. and C.5. (below), a pilot's air travel, train travel, surface transportation, hotel use, parking and non-taxable per diem are allowable/reimbursable expenses as provided in this paragraph.

- a. Air Travel
 - i. In the following circumstances, air travel expenses are allowable/reimbursable:
 - (a) to or from a pilot's base to position to/from a scheduled assignment.
 - (b) deviation from scheduled deadhead travel.
 - (c) deviation from scheduled deadhead travel between a pilot's base and training conducted away from his base.

- ii. Air travel expenses shall be limited to the accepted fare for coach class unless the deviation flight would qualify for a higher class of service under Section 8.A.4.b.
- iii. Airport departure fees.
- iv. Ticket issuing, refund or transfer costs, if any, of an unused deviation ticket shall not be allowable unless a Company schedule change was the reason why the ticket could not be used, or had to be changed.
- v. If a pilot scheduled for a nonstop deadhead over 16 hours on duty, who is not booked in first class, deviates from the scheduled flight in order to obtain first class on another carrier, the following shall apply:
 - (a) the pilot shall include with his deviation expense report an e-mail from corporate travel indicating that first class was not available on the originally scheduled flight at the time the booking was made; and
 - (b) the provision of the e-mail in Section 8.C.3.a.v.(a) (the preceding paragraph) shall entitle the pilot to be reimbursed for his deviation ticket up to the full fare first class cost of a direct, nonstop deviation flight on the planned routing, regardless of his deviation bank value.

Intent: This rule is designed to put the pilot in excellent position to obtain first class on long deadheads. The change in priority greatly increases the chance that the pilot will be booked in first class at the outset. If that does not occur, and the pilot wishes to deviate so that he can find first class on another carrier, provision is made to allow that even if the accepted fare for the ticket that was planned is below the actual cost of the first class ticket he buys. This provision is intended for use only for conventional, scheduled airline travel, not, for example, the Concorde, Lear jet, or other specialty air travel. This rule does not apply to emergency replacements under Section 12.D.1.e., nor does it permit an increase in the deviation bank beyond that necessary to pay for the deviation ticket.

With respect to the e-mail notification from Corporate Travel, Corporate travel will only know to send an e-mail indicating the unavailability of first class to the pilot who was originally awarded the trip. If a pilot receives the trip later in the bid period, (e.g., due to the original pilot going sick, etc.), then the pilot who flies the trip will have to request the e-mail from Corporate Travel if, at the time Corporate Travel is attempting to book his ticket, first class is not available. This only applies to deadheads originally scheduled over 16 hours under the provisions of this rule. The pilot should not ask Corporate Travel for an e-mail in any other situation in which first class is authorized, but cannot be booked due to availability.

Example: A pilot is booked on United to HKG. There is no seating for either discounted first class or full fare first class, so Corporate Travel books the pilot in business class with a reservation to upgrade to first class contingent upon availability. The accepted fare for the discounted first class was \$1500, which

is the amount the pilot's deviation bank is credited with per Section 8.A.4.c.v. Corporate travel sends the pilot an e-mail indicating that first class could not be booked on his deadhead flight over 16 hours. The pilot deviates, using a full fare first class ticket on a direct flight on Northwest, which costs \$2300.

The pilot's total deviation bank for the month normally would be \$2,500 (\$1,000 for other tickets, and \$1,500 for the UA flight to HKG). Assume that the pilot has spent a total of \$3,000 (\$2,300 for the NW flight to HKG, and \$700 for other travel). When reconciling his deviation expenses, the pilot includes a copy of the Corporate Travel e-mail indicating that first class could not be booked on the UA flight to HKG. This e-mail indicates to the travel auditors to increase the deviation bank by \$800 in order to pay the NW flight to HKG. This essentially pays the NW deviation flight as a separate transaction, and the remainder of the pilot's deviation expenses are reconciled against a bank of \$1,000 (the original bank less the planned UA ticket to HKG). Consequently, if the pilot had spent a total of \$3,400 (\$2,300 for the NW ticket and \$1,100 for other deviation expenses), \$100 of those expenses would not be reimbursed, and must be paid by the pilot, just like in the normal situation.

- b. Surface Transportation
 - i. Surface transportation expenses between a field airport/FedEx operations area and the layover hotel associated with that airport are allowable/reimbursable.
 - (a) The vendor for surface transportation shall be selected in the following order:
 - (1) Company provided transportation (crew bus), or hotel transportation, or, if unavailable,
 - (2) The contract vendor in that city, or, if unavailable,
 - (3) Another vendor, in which case reimbursement for surface transportation is limited to \$100 per occurrence, unless a higher charge is authorized by the pilot's ACP.
 - (b) Surface transportation used at other than the scheduled pickup time shall not be direct billed.
 - ii. Surface transportation of reasonable expense between commercial locations, or between a residence and the field airport/FedEx field operations area, requires prior approval by a pilot's ACP. Such approvals may be granted on an on-going basis.

Intent: ACP approval will not be required for qualifying ground transportation up to \$100 per occurrence. Deviation ground transportation greater than \$100 up to \$200 must have specific ACP approval. Deviation ground transportation for amounts greater than \$200 must be approved by a pilot's RCP. In both instances, a copy of the e-mail documenting the ACP/RCP approval must be included with the pilot's expense report. Approvals may be granted on an on-going basis. It is not the intent of this policy to allow extravagant travel when reasonable, lower cost transportation is available.

- iii. A pilot who is assigned to initial, transition or upgrade training away from his base may elect to drive his vehicle to the training location. In this event, the AAA calculated mileage, round trip from the pilot's permanent residence to the training facility at the current IRS mileage rate shall be allowable/reimbursable. (e.g., Training in DFW and a pilot drives his car to and from).
- c. Trains
Travel by train or subway are allowable/reimbursable expenses to the same extent air travel or surface transportation expenses would have been allowable/reimbursable.
- d. Hotel
 - i. Domestic
A pilot who is scheduled for consecutive deadheads from and back to the same domestic city, may expense up to 3 nights of hotel use in the contract hotel in lieu of the scheduled deadhead tickets. The hotel use shall be between the scheduled deadheads. Use of a non-contract hotel, and any hotel use for greater than 3 nights, requires prior approval of the pilot's ACP, or his designee.
 - ii. International
 - (a) A pilot who deviates from international deadhead travel may expense up to 3 nights of hotel use in lieu of the scheduled deadhead ticket. The hotel use at an international location shall be on consecutive days in conjunction with the revenue portion at the beginning or end of a trip. Hotel use for greater than 3 nights requires prior approval of the pilot's ACP, or his designee.
 - (b) A pilot who deviates from international deadhead travel may expense hotel(s) as part of his deviation travel as follows:
 - (1) he may expense 1 hotel room as a deviation expense, or
 - (2) he may expense up to the same number of hotel rooms as in his scheduled deadhead.

Intent: A pilot scheduled for an intervening layover during a 2 duty period international deadhead may expense an intervening hotel use enroute to his scheduled destination.
 - iii. Domestic and International
 - (a) A pilot who deviates from deadhead travel at the beginning of a trip may check in at the contract hotel a maximum of 1 day early. This hotel use is a deviation expense charged to his bid period deviation bank.
 - (b) When hotel use is an allowable/reimbursable deviation expense:
 - (1) the pilot is responsible for his hotel reservation,
 - (2) reimbursement shall be limited to the contract hotel rate for the city associated with the revenue portion of the trip, and
 - (3) authorized expenses shall not be direct billed.
- e. Non-Taxable Per Diem
A pilot claiming hotel use as a deviation expense under Section 8.C.3.d.i. or C.3.d.ii. (above) may also claim non-taxable per diem for the period covered by his hotel reimbursement claim (i.e., one night hotel use equals 24 hours per diem) and not otherwise covered by per diem for a scheduled

trip. This per diem shall be paid at the rate for the city associated with the revenue portion of the trip.

f. Parking

A pilot may claim up to \$100 per bid period for parking (monthly pass or fees) at an airport outside his domicile/base.

4. Limitations on Deviation Expenses

The following limitations apply to deviation expenses:

- a. All deviation expenses shall be paid for using the Company issued Travel Card, unless:
 - i. the vendor will not accept the card; or
 - ii. the vendor has rendered both authorized and unauthorized deviation expenses, and refuses to allow the pilot to pay for authorized expenses with the Company Card and for unauthorized expenses in another manner. In this case, the pilot shall pay the vendor's bill by personal means, and shall submit an expense report requesting reimbursement for the authorized expenses.
- b. Expenses which are otherwise allowable/reimbursable, but which exceed the value of a pilot's deviation bank are the pilot's responsibility and shall be reimbursed to the Company in accordance with Section 8.C.5. (below).
- c. All deviation travel must be on a commercial carrier, except as specifically authorized otherwise in this Section.
- d. Travel claimed as a deviation expense must begin or end within 3 days of the scheduled assignment to/from which the pilot is deviating (e.g. scheduled deadhead, trip or R-day) and must proceed to the intended destination of the deviation with no greater than a 24 hour delay enroute, domestically, and a 48 hour delay enroute internationally.
- e. When a pilot claims hotel use in lieu of a scheduled deadhead ticket(s) as provided in Section 8.C.3.d.i. or C.3.d.ii.(a) (above):
 - i. the scheduled deadhead ticket(s) establishes a "mini-bank" (i.e., claims based on that ticket(s) are allowable/reimbursable only up to the cost of that scheduled deadhead ticket(s)); and
 - ii. the value of the deadhead ticket(s) may not be used for any deviation expense other than hotel use (as provided in Section 8.C.3.d.i. or C.3.d.ii.(a).), and non-taxable per diem.
- f. Expenses, other than those identified in this section as authorized, are not allowable/reimbursable (e.g., expenses associated with the use of a personal vehicle (other than allowable parking expenses), telephone, food, newspapers, recreation, etc., are not allowable/reimbursable).

5. Reporting Procedures

- a. Any time an expense is charged to a Company issued Travel Card, a deviation ticket is issued or a deviation expense is incurred, an expense form shall be submitted, with appropriate original receipts. Boarding passes are required on tickets purchased with personal funds. Receipts are not required for reimbursable expenses under \$25. Such expense form shall be submitted no later than the end of the subsequent bid period. A pilot whose allowable deviation expenses for a bid period exceed the value of his deviation bank for such bid period shall submit appropriate payment with his bid period expense form.

- b. A pilot shall designate on his online expense report any claim for deviation travel expenses incurred while commuting to or from his base. The amount of such claim that is allowed/reimbursed shall be included in the pilot's income as taxable compensation and all applicable taxes will be withheld

SECTION 9

MISCELLANEOUS FLYING

Definitions

1. Negative Bid Period Report

A report indicating that no revenue flying was performed by pilots other than line pilots during a particular bid period.

A. General

1. All revenue flying covered by this Agreement shall be performed by pilots on the master seniority list. No pilot may fly a revenue flight in a crew position he cannot hold by his seniority.
2. If a management pilot bumps a line pilot from his scheduled trip or a portion thereof, in accordance with other provisions of this Agreement, the line pilot shall receive the scheduled credit hours and deviation credit, if any, for the trip, or portion thereof, notwithstanding Section 8.C.2.a. (trips flown).
3. If a management pilot flies a trip, or portion thereof, covered by this Agreement and it is not possible to identify the line pilot who would have been bumped and otherwise would be entitled to compensation as described in Section 9.A.2., (above), the scheduled credit hours for such trip, or portion thereof, either shall be paid to the Association or offset against monies owed by the Association to the Company pursuant to Section 18.C. The value of any monies owed or offset pursuant to this paragraph shall be determined by multiplying the number of credit hours flown by the average hourly pay rate system wide for the crew status in which the management pilot flew.
4. Disputes arising from the application of Section 9.A.2. and A.3., shall be resolved as provided in Sections 20 and 21. In no event shall the Company be required to pay a trip guarantee pursuant to Section 9.A.2. and A.3., more than once.
5. Section 9.A.2. or A.3., shall not apply to the following non-revenue flights, except to the extent that a line pilot previously assigned is bumped from that flight:
 - a. publicity flights;
 - b. scenic flights;
 - c. ferry flights;
 - d. experimental flights;
 - e. engine, instrument, radio or acceptance test flights;
 - f. humanitarian flights;
 - g. maintenance flights.
6. The provisions of Section 9.A.2. and A.3., shall not apply to a trip(s) assigned to a management pilot pursuant to Section 25.P., provided such assignment is made within 4 hours of showtime for the trip. Trips shall not be held out of open time to permit assignment under this paragraph.

B. Bid Period Report

1. The Company shall provide to the Association a bid period report of all revenue trips, or portions thereof, covered by this Agreement, performed by pilots other than line pilots. Such report shall include:
 - a. The pairing number, base, equipment and date;
 - b. Name and employee number of the pilot who flew the trip;
 - c. Name and employee number of the pilot who received compensation under Section 9.A.2., if applicable; and
 - d. Amounts paid or credited to the Association pursuant to Section 9.A.3., if applicable, and the rate of pay and credit hours used to calculate such payment.
2. If applicable, the Company shall submit a negative bid period report.
3. The report referred to in Section 9.B.1., shall be submitted no later than 30 days following the close of the bid period to which it pertains.

C. Except for pilots assigned to the flight test group, line pilots shall not be required to conduct engine-out ferry, test or experimental flights.

D. Except for line pilots assigned to the flight test group who may be required to hold and maintain multiple ratings and qualifications, no line pilot covered by this Agreement shall be required by the Company to maintain currency in more than 1 type rating. This paragraph shall not be construed to prohibit the Company from requiring pilots to maintain qualifications in aircraft with a common type rating.

E. Flight Project Specialist (FPS) and Technical Advisor/Aircraft (TAA)

1. The duties and conditions of a FPS/TAA shall be at the discretion of his Flight Test/Standards Manager. Such conditions may include but shall not be limited to dual aircraft and/or seat qualifications, and any attendant special training and certification required. However, those duties and conditions may not contradict provisions of this Agreement.
2. FPS/TAA shall bid for and be awarded a bid line for flying purposes or "pay only," as determined by his Flight Test/Standards Manager, in his primary crew position. For purposes of Section 9.E., "primary crew position" means the crew position in which the pilot is currently performing his line flying activities, (i.e., seniority bid position). Unless released to the line for an entire bid period by his Flight Test/Standards Manager, a FPS/TAA shall bid "pay only," and shall be awarded a BLG/RLG and compensated as follows:

- a. In addition to all other compensation to which he is entitled, an FPS/TAA shall receive a bid period override commencing with the first month in the program. If an FPS/TAA is sick for an extended time (90 days or greater) and is incapable of performing duties as assigned, Bid Period Override will be stopped effective 90 days from the date he called sick in VIPS. Bid Period Override will be resumed when the pilot is off sick status. The bid period override shall be based on the number of consecutive years of service as a Captain or First Officer/Second Officer FPS/TAA as follows:

i. Captains

- (a) Year 1: \$1,300

- (b) Year 2: \$1,400
 - (c) Year 3: \$1,500
 - (d) Year 4 and above: \$1,600
 - ii. Second Officers
 - (a) Year 1:\$ \$600
 - (b) Year 2:\$ \$700
 - (c) Year 3 and above: \$800
 - b. Passover Pay for FPS/TAA's
 - i. An FPS/TAA shall be entitled to passover pay if the following prerequisites are met:
 - (a) he bids for a higher paying crew position and is awarded that position; and
 - (b) a junior pilot is activated into that crew position as a result of a vacancy bid award on the same or a subsequent posting.
 - ii. If an FPS/TAA is entitled to passover pay in accordance with Section 9.E.2.b.i., (above), such passover pay shall be calculated as follows:
 - (a) beginning when the junior pilot is activated into the crew position that generated passover pay; and
 - (b) ending upon the earlier of:
 - (1) the FPS/TAA's activation into a new crew position; or
 - (2) the FPS/TAA's withdrawal from training for a new crew position.
 - iii. The payment and, if applicable, repayment of passover pay due in accordance with Section 9.E.2.b.i., shall be administered as provided in Section 24.D.2.c.
 - c. An FPS shall receive an additional \$300 per bid period override if he is required to maintain qualification in more than one aircraft, or as both a first officer and second officer.
 - d. An FPS/TAA who performs related duties on a day(s) off in excess of the duty requirements contained in Section 9.E.6.b., shall be compensated as follows:
 - i. For work involving flight deck duties, a pairing shall be constructed and the pilot shall earn trip guarantee at 150% of his normal pay rate, when he blocks out on such pairing; and
 - ii. For each additional work day not involving flight deck duties he shall earn R-day value.
 - iii. Failure to block out will result in showpay.
3. An FPS/TAA that wishes to resign from the program must notify the Flight Test/Standards Manager at least 3 bid periods in advance.
- a. the notification period may be reduced at the discretion of the Flight Test/Standards Manager.
 - b. the FPS/TAA may be retained in the program for up to 3 months beyond his desired resignation date at the discretion of the Flight Test/Standards Manager, or 6 months by mutual consent.

4. FPS/TAA's hold their positions at the discretion of the Flight Test/Standards Manager.
5. The crew position of an FPS/TAA who resigns or is removed from the FPS/TAA program shall be determined as follows:
 - a. If the FPS/TAA does not hold a bid award for a different crew position, he shall remain in his current crew position.
 - b. If the FPS/TAA holds a bid award for a different crew position or, would have been awarded such different crew position but for his FPS/TAA status (pursuant to Section 9.E.2.b.) and is receiving passover pay based on such crew position, the following shall apply:
 - i. In those cases where a training date has already been assigned, the FPS/TAA will proceed to training as scheduled.
 - ii. In those cases where a training date has not been assigned, the Flight Test/Standards Manager will arrange a class date and communicate that date to the FPS/TAA.
6. During each bid period, the Company shall construct a work day schedule for each FPS/TAA, as follows:
 - a. An FPS/TAA shall have 5 inviolate days off (which may be not more than 2 blocks). He may provide primary and secondary requests regarding which specific days shall be his inviolate days off, and the Company shall accommodate those requests in seniority order. The Company shall make all reasonable efforts to award a pilot's requested days off by seniority.
 - b. The maximum number of duty days on an FPS/TAA's bid period schedule shall not exceed the maximum number of R-days in the bid period plus up to 5 days of carryover, if bid. Carryover days will be paid only if work is available, as determined by the Flight Test/Standards Manager.
 - c. If an FPS/TAA is working consecutive months in pay-only status, he may work the carry over portion in either month, provided enough work is available, as determined by the Flight Test/Standards Manager.
 - d. An FPS/TAA, bidding in a "pay only" status, shall be notified of his bid period schedule by 1700 LBT on the Friday prior to the beginning of the bid period.
 - e. Additional work days may not be scheduled without an FPS/TAA's consent. If the FPS/TAA performs assigned duties on a day previously scheduled free from duty, he shall be entitled to compensation as per Section 9.E.2.d., as applicable.
 - f. He may operate open time assignments (e.g., M/U, VLT or DRF), in his primary crew position provided such assignments do not conflict with his scheduled work days. An FPS/TAA operating as a line pilot shall only operate revenue trips in his primary crew position.
 - g. When an FPS/TAA is positioning to or from a location other than his assigned base, the class of service for his deadhead will be as provided in Section 8.
 - h. Bid periods in which an FPS/TAA is scheduled for an awarded vacation shall be line flying bid periods to the extent practical. An FPS/TAA, however, who performs FPS/TAA duties during a month in which he has vacation shall have his bid period schedule reduced, day for day, by the number of days in his vacation period. His vacation bank shall be reduced by an R-day value for each day of vacation. A FPS/TAA:

- i. May adjust his vacation period by sliding it up to a maximum of 5 days in either direction, in accordance with Section 7.
 - ii. Shall receive, if requested, a 48 hour duty free vacation buffer at each end of his vacation period. A vacation buffer shall not extend outside the bid period(s) in which the vacation occurred. A vacation buffer shall not create a conflict with a trip that began in the previous bid period.
 - i. An FPS/TAA on sick leave shall have his sick bank reduced by R-day value for each work day missed due to sick.
7. Non-FPS Pilot Performing FPS Duties
- With his concurrence, a qualified pilot who is not an FPS may be assigned FPS duties.
- a. If his FPS duties conflict with a trip(s), the pilot shall be removed from that trip(s) and shall earn trip guarantee. If the number of trip days removed exceeds the number of days on which the pilot performed FPS duties, he may be scheduled for additional FPS duties to make up the excess days.
 - b. If a pilot performs FPS duties on a day off, he shall be compensated as follows:
 - i. For work involving flight deck duties, a pairing shall be constructed and the pilot shall earn trip guarantee at 150% of his normal pay rate, when he blocks out on such pairing; and
 - ii. For each additional work day not involving flight deck duties he shall earn R-day value.
 - iii. Failure to block out will result in showpay.
 - c. A pilot shall receive an additional \$300 per bid period for each bid period in which he performs FPS flight deck duties.

SECTION 10

PILOTS TRANSFERRED TO MANAGEMENT OR OTHER DUTIES

- A. A pilot who transfers to or occupies a management position within the Company, or who assumes duties for Air Operations other than flying covered by this Agreement, shall retain and continue to accrue seniority, longevity, insurance and retirement benefits consistent with this Agreement.
- B. A pilot covered by Section 10.A., may not bid and be awarded a published line of flying covered by this Agreement.
- C. A pilot returning from duty or assignment covered by Section 10.A., shall be awarded a crew position as provided in Section 10.D., provided that:
 - 1. the pilot has not forfeited his seniority as provided in Section 22.B.1.e. (failure to return after leave of absence); and
 - 2. the pilot has not been discharged by the Company; and
 - 3. the pilot meets the requirements outlined in Section 24.A.3. (medical and professional certifications), for the appropriate crew seat.
- D. When a pilot returns from duty or assignment covered by Section 10.A., to flying covered by this Agreement, the Company shall designate the pilot as eligible to bid for a bid period flying schedule by listing his name in seniority order in the appropriate bid period package. Such pilot's crew position shall be determined as follows:
 - 1. If no crew position postings occurred while he was in a position covered by Section 10.A., he shall remain in his current crew position.
 - 2. If 1 or more crew position postings occurred during that time, he shall be awarded a different crew position, if applicable, based upon those postings consistent with his seniority and his updated standing bid preference. However he shall not be awarded a crew position at an FDA if such award would cause an excess at the FDA.
 - 3. If the pilot is awarded a new crew position, he will resume and bid in his last qualified crew position until he is activated into his new crew position.
- E. A pilot who returns to flying covered by this Agreement shall receive training, as necessary, as provided in Section 11.

SECTION 11

TRAINING

Definitions

ACTIVATION CHECK

The initial line check, conducted by an SCA after the IOE Phase Check, which must be successfully completed to activate in a Captain crew status and complete Captain IOE. Notwithstanding Section 3.B.2.a., if a pilot successfully completes his activation check, he will be paid for the trip containing the activation check at his new captains pay rate.

CONSENSUS OF TRAINING REVIEW BOARD (TRB)

The voluntary agreement of all members of the TRB. It does not require that all members believe that a particular recommendation is the most desirable solution, but that the result falls within each member's range of acceptable solutions for that matter. The members of the TRB shall strive to reach consensus on any matter within their discretion.

FLEX ASSIGNED TRAINING BASE

An operational work location during pay only months for flex instructor/PCA and/or SCA which may be different than his flying base by mutual consent of the pilot and the Company.

OFF SITE TRAINING (As applied to instructors)

Any training conducted at a location other than a flex instructor/PCA's/SCA's base or Flex Assigned Training Base.

OFF SITE TRAINING (As applied to students)

Any training conducted at a location other than a pilot's base.

PHASE CHECK

The check ride/qualification event(s) in each phase of Initial, Transition, and Upgrade training.

PROFICIENCY CHECK (PC) ITU/LINE OPERATIONAL EVALUATION (LOE)
/MANEUVERS EVALUATION (ME)

A check ride/qualification event which shall be conducted by a PCA/SCA or the FAA. Maneuvers are specified in applicable FAR's, AQP documents and the FOTM. Maneuvers may be reaccomplished but no training may be conducted.

PROFICIENCY CHECK (PC) RECURRENT/CONTINUING LINE OPERATIONAL
EVALUATION (CLOE) /RECURRENT MANEUVERS EVALUATION (RME)

A check ride/qualification event to maintain or reestablish a pilot's qualification in a crew status which shall be conducted by a PCA/SCA or the FAA. Maneuvers are specified in applicable FAR's, AQP documents and the FOTM. Maneuvers may be reaccomplished and training may be conducted. If conducted in a flight simulator for a pilot in a qualified status, the evaluation shall be preceded by a warm-up simulator period.

PROFICIENCY TRAINING (PT) /CONTINUING MANEUVERS VALIDATION (CMV)

A check ride/qualification event to maintain or reestablish a pilot's qualification in a crew status which shall be conducted by a PCA/SCA or the FAA. Maneuvers are specified in applicable FAR's, AQP documents and the FOTM. There are no limits to the number of maneuvers which may be reaccomplished and training that may be conducted within the event, but proficiency in all maneuvers must be achieved.

TRAINING FOR PROFICIENCY EVENT

An event to establish, maintain or demonstrate a pilot's proficiency in which end level proficiency is not required in order to progress (e.g., WU). The type and number of maneuvers shall be tailored to the specific objectives. Training may be conducted by any qualified instructor. There are no limits to the number of maneuvers which may be reaccomplished and the training that is conducted within the allotted time/event.

TRAINING TO PROFICIENCY EVENT

A training event to maintain or demonstrate a pilot's proficiency in which end level proficiency is required in order to progress (e.g., PT). The type and number of maneuvers shall be tailored to the specific objectives of the training. Training may be conducted by any qualified instructor. There are no limits to the number of maneuvers which may be reaccomplished and training that may be conducted within the allotted time/event.

TRAINING TO PROFICIENCY PHILOSOPHY

It is recognized that all pilots do not learn at the same rate and there may be disparities in the experience level and background of pilots entering the same course. Training may be extended beyond planned hours in all phases of ITU and in requalification training, by the TRB, if there is consensus that reasonable progress is being made and there is a likelihood of success.

TRAINING REVIEW BOARD (TRB)

A board established by the Association and the Company for the purpose of reviewing and making decisions and, where appropriate, referrals and recommendations concerning training. The TRB shall be comprised of two members each from the Association and the Company. The TRB members shall consist of the MEC Training Committee Chairman, the Human Performance Group Chairman, the Company's Managing Director of Flight Training and the Managing Director of Flight Standards. If any of the Company's members are not on the Federal Express Pilots' Master Seniority List, the Company will appoint a TRB member who is a Federal Express Pilots' Master Seniority List holder. The Association or the Company may appoint a substitute TRB member(s) in any particular case. When dealing with situations involving individual pilots, the TRB shall be governed by a train to proficiency philosophy. Individual pilots will be dealt with on a case by case basis, without regard to past precedent. If reasonable progress is being made and there is reason to believe the pilot will ultimately be successful, training is usually extended. The overall goal of the TRB is the continuing improvement and quality assurance of the Company's training program. The TRB shall make its decisions and recommendations based on consensus.

- A. The Company and Association shall hold meetings not less than quarterly, or more frequently if requested by the Company or MEC Chairman, to share data, statistics, and information related to training standards. Establishment of training requirements and performance standards shall be specified in the appropriate Flight Operations Manual (FOM), the Flight Operations Training Manual (FOTM), AQP source documents or in the Training and Procedures section of the applicable Company Flight Manual (CFM). The Company shall meet with the ALPA Training Committee regarding training requirements included in the FOTM and AQP source documents at times and locations agreed upon by both parties. Any proposed changes to the above referenced manuals and documents shall be provided to the MEC Training Committee and Representation Department at least two weeks prior to submission to the FAA and/or proposed effective date, whichever is earlier. Any changes shall be agreed upon by the Association and the Managing Directors of Flight Training and Flight Standards. In the event that the parties fail to reach an agreement, the issue will be submitted to the Vice President of Flight Operations for resolution. Provided the required notice has been given, if this process is not completed before the projected date of implementation, the Company may implement the changes.

B. Classification

- 1. The following comprise the classifications of pilot training:
 - a. Initial new hire training;
 - b. Initial training;
 - c. Transition training;

- d. Upgrade training;
 - e. Recurrent training;
 - f. Requalification training;
 - g. Other training:
 - i. Differences training;
 - ii. Crew resource management training;
 - iii. Training for proficiency;
 - iv. Training to proficiency;
 - v. Other training required by FAA regulations or Company policy.
2. Special instruction materials are designed to allow pilots to review recent developments or to address FAA suspense items. Materials shall not exceed 45 minutes in length and shall not be required more often than 4 times per year. The Company shall provide notice of the issuance of special instruction materials via Flight Crew Information File (FCIF) or other communications methods to be designated by the Company, and pilots shall be given a deadline, but not less than 30 days, to review/accomplish the materials. Failure to complete that material shall result in unpaid removal from any activities until completion of the material. The Company shall provide a VIPS notification to all pilots who have not completed such training at least 5 days prior to the deadline.

C. Pilot Qualifications For Training

1. A pilot entering training for a Captain crew seat shall possess and maintain currency of the following certificates:
 - a. An Airline Transport Pilot Certificate (ATP) or a current FAA certification of successful completion of the ATP written examination; and
 - b. An FAA medical certificate for that crew seat, as provided in Section 15.A. (Medical Standards).
2. First Officer Training
 - a. A pilot entering training for a First Officer crew seat shall possess and maintain currency of the following certificates:
 - i. At least a Commercial Pilot Certificate with Airplane Multi-Engine Land and Instrument Ratings; and
 - ii. An FAA medical certificate for that crew seat, as provided in Section 15.A. (Medical Standards).
 - b. A First Officer who will be type rated as a result of that training shall possess and maintain currency of the following certificates:
 - i. An Airline Transport Pilot Certificate (ATP) or an FAA certification of successful completion of the ATP written examination; and
 - ii. An FAA medical certificate for that crew seat, as provided in Section 15.A. (Medical Standards).
3. A pilot entering training for a Second Officer crew seat shall possess and maintain currency of the following certificates:
 - a. A Flight Engineer (Turbojet) Certificate or a current FAA certification of successful completion of the Flight Engineer (Basic and Turbojet) written examination; and
 - b. An FAA medical certificate for that crew seat, as provided in Section 15.A. (Medical Standards).

4. The provisions of Section 11.C.1., C.2. and/or C.3., may be revised by the Company to the extent necessary to comply with governing law and regulation.

D. Notice of Training

1. Except as provided in Section 24.D.4. (Training Activation/Procedures), a pilot shall receive notification at least 72 hours prior to the close of the bid for the period in which the pilot is scheduled to begin his initial, transition or upgrade (ITU) training. Notice shall be given through FCIF or other communications methods to be designated by the Company.
 - a. The Company may revise a pilot's training commencement date.
 - b. A revision of the start date which occurs after the close of the bid for the period in which the training was scheduled to begin requires the approval of the pilot; rejection of such change shall constitute a waiver of entitlement to passover pay until the pilot is activated in his new crew position.
2. Each bid period package shall contain a list of pilots who require recurrent training or differences training not in conjunction with any other training. The type of training required and, if applicable, available class dates and times (sessions) shall be communicated in VIPS or through other communication methods to be designated by the Company.
 - a. Dates and times (sessions) available for that training shall be published in the bid period package.
 - b. A pilot shall bid for specific training sessions through VIPS. The Company shall process those bids in seniority order as provided for in Section 25 C.11.
3. The Company shall provide pilots with 5 days notice in all classifications of training other than those referred to in Section 11.D.1. and D.2. (above).

E. Scheduling of Training Events

1. A pilot shall bid for specific recurrent training sessions. Those bids shall be processed as provided in Section 25. C.11.
2. A pilot may be scheduled for training, other than ITU training, on a day previously scheduled free of duty provided that he still receives the minimum number of days free of duty for the bid period. This paragraph shall not apply to training scheduled by the pilot (e.g., Computer Based Training - CBT).
3. A pilot shall not be assigned to any training event excluding initial operating experience (IOE) or required to travel to or from training on the day before Thanksgiving Day, Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve, or New Year's Day except:
 - a. Pilots may be assigned to travel from training to base on the day before Thanksgiving Day, Christmas Eve and New Year's Eve, provided they are scheduled to arrive by 1600 LBT; and
 - b. Pilots may be scheduled for simulator training at their base on the day before Thanksgiving Day, Christmas Eve, and New Year's Eve provided the training is scheduled to terminate prior to 1400 LBT on that day.
 - c. These restrictions may be waived at the pilot's option.
4. A pilot shall not be required to train or travel to or from training, other than ITU training, during his awarded vacation period(s). A pilot removed from a trip(s) for vacation shall not have any recurrent training scheduled during the

scheduled days of the trip(s) or the scheduled days off between those trips in his pre-month or due-month unless he initiates a request for recurrent training date(s). This paragraph shall not apply to the scheduling of additional training for a pilot who has incurred a training failure.

5. A pilot shall have at least the following number of days off during initial new hire and ITU training, excluding IOE:
 - a. A minimum of 2 consecutive days off within each 7 consecutive days of training in the ground phase.
 - b. In the simulator phase, the Company shall plan to give the pilot 1 day off following 4 consecutive days of simulator or aircraft training; in every case, a pilot shall receive at least 1 day off following 5 consecutive days of such training.
 - c. A pilot, other than a pilot in initial new hire training, shall receive one block of 6 consecutive days free from duty to be assigned near the midpoint of his scheduled ITU training program (not to encompass IOE).
 - d. A new hire pilot shall receive 7 consecutive days free from duty following completion of IOE.
6. A day of classroom training shall not be scheduled to exceed 8 hours excluding a 1 hour lunch break. A 5 minute break shall be provided during each hour of instruction. A 1 hour lunch break shall be afforded following approximately 4 hours of instruction. A day of CBT shall not exceed 8 hours for recurrent/continuing qualification and 6 hours for ITU.
7. When a pilot is assigned to train at a location other than his base, every day beginning with the first day of travel and ending on the day of return shall be considered a duty day for scheduling and compensation purposes. A pilot traveling to training shall be entitled to the following.
 - a. If the deadhead block time does not exceed 2:30 hours, he shall receive one day of travel to the off site location. Upon arrival at the training location, he shall be given a 12 hour duty free period prior to commencing any brief or training. At the completion of any brief or training, he shall be given a 12 hour duty free period before being scheduled for return travel
 - a. If the deadhead block time is 2:30 hours or greater, he shall receive one day of travel to the off site location, and be scheduled in accordance with Sections 8, and 12, as if he were deadheading to normal revenue line operations. Upon arrival at the training location, he shall be given a 12 hour duty free period prior to commencing any brief or training.
8. A pilot may be scheduled to deadhead to his base following training. He shall be scheduled in accordance with Sections 8, 12 and 25 with regard to travel and any duty following arrival at his base.
9. The following shall apply to a pilot receiving training in a simulator or flight training device (or aircraft in lieu thereof):
 - a. He shall not be scheduled for more than 5 consecutive hours of training, excluding brief and debrief.
 - b. After approximately 2:30 hours, a physiological comfort break shall be provided. During training periods longer than 3 hours, he shall receive a break at approximately the mid-point of training, unless conducted in an aircraft.

- c. If in an aircraft, catering will be provided in accordance with Section 5, as if the training flight were a scheduled bid line trip.
 - d. A pilot shall receive a duty free period of at least 12 hours between each period of training.
 - e. The provisions of this paragraph do not apply to IOE.
- 10. An IOE trip, including brief and debrief, shall comply with the duty limitations provided in Section 12 (Hours of Service), for the base from which the first operating (i.e., not deadheading) leg of the trip was scheduled. Duty limitations may be waived by the pilot up to optional assignment limitations.
- 11. Prior to and upon completion of ground school or simulator training, a pilot shall receive a minimum of 12 hours off. This buffer may be reduced operationally, by mutual agreement of the pilot and the duty officer.
- 12. A pilot shall not schedule or conduct CBT in conflict with any other scheduled activity.
- 13. Showtime and release time for aircraft training flights shall be 1 hour prior to block-out and 30 minutes following block-in, respectively.
- 14. Time limits and protection of days off and holidays contained in Section 11.E., may be waived by mutual agreement of the pilot and the Company.
- F. Pay For Training
Pay for training shall be as provided in Sections 3 and 4 of this Agreement.
- G. Performance Standards and Training Review Board
 - 1. Performance Standards
 - a. A pilot shall not have completed CBT until he scores 100%.
 - b. The required minimum score on any written exam is 70%, unless a higher score is required by the FAR's or AQP documents.
 - c. Check ride/qualification events will be recorded as either overall satisfactory (S), unsatisfactory (U) or marked as incomplete (I). An unsatisfactory (U) grade for any event shall not be given unless 1 or more specific tasks were not accomplished to performance standards. Tasks may be recorded as:
 - i. satisfactory or unsatisfactory or;
 - ii. as specified in the FOTM or AQP source documents on an approved grading scale.
 - 2. The Training Review Board (TRB)
 - a. The TRB shall have broad discretion in the action to be taken by individual pilots and the Company. TRB meetings shall occur in the manner agreed upon by TRB members (e.g., in person, telephonically, etc.). Action may include:
 - i. additional training;
 - ii. change of instructor;
 - iii. change of support pilot;
 - iv. change of training times;
 - v. change of training location;
 - vi. removal of a pilot from ITU/ recurrent training;
 - vii. individual plans for requalification training. This may include crew position assignment, duration of freeze and training plan;
 - viii. referral to MEC Human Performance Group;

- ix. referral to System Chief Pilot (SCP);
 - x. referral to the Vice President, Flight Operations who shall address his case as circumstances warrant.
 - xi. pilot counseling;
 - xii. other.
- b. TRB Operations
- i. TRB Notification
The TRB shall be notified following the failure of any checkride/qualification event or failure to achieve any required recommendation.
 - ii. TRB Review
The TRB shall review and address each case.
- c. In the absence of a consensus concerning TRB recommended actions, the SCP shall use his best efforts to broker a consensus among the members of the TRB. In the event consensus can not then be reached, the SCP shall determine the resolution. In the event the SCP is not on the Federal Express Pilots' Master Seniority List, the Company shall designate a member who is on the Federal Express Pilots' Master Seniority List to perform these functions.
- d. If a pilot disagrees with the TRB's decision, the pilot may appeal such to the SCP.
- e. If the TRB authorizes additional training and if, after additional training, the pilot is still unable to progress further in the training program or unable to pass the required tests or checks, the pilot's matter will be referred back to the TRB for disposition. When a case has been referred back to the TRB after an earlier decision has not produced the desired results, the TRB may direct additional actions, (including referral to the SCP or Vice President).
- f. Except in extenuating circumstances, the TRB shall meet within 24 hours following the occurrence of an event that requires TRB review. The TRB shall conduct activities in strict confidence. TRB meetings shall be restricted to TRB members unless all TRB members agree otherwise, on a case by case basis. If a non-TRB member(s) is permitted at a TRB meeting, such attendee(s) shall be bound by the same confidentiality requirements that are applicable to the TRB members. Prior to the TRB meeting, the TRB members and the pilot will be provided with copies of his training records and any other documents pertaining to the matter before the TRB. The pilot shall have the right to make a presentation and to offer input to the TRB. The pilot may be required to appear before the TRB. Any time a pilot appears before the TRB, at the pilot's request, an Association representative may observe the proceedings during the time of the pilot's presence.
- g. The deliberations and decisions of the TRB shall be non-precedential and shall not be discoverable, referenced or introduced as evidence in any grievance proceeding or arbitration involving any pilot other than the pilot to whom the TRB deliberations and decisions pertain.
- h. Pilots frozen in position or in any way restricted from freely exercising their seniority rights as a result of a TRB decision shall not be entitled to Passover pay. The TRB shall review crew position freezes approximately at the midpoint of the freeze for reconsideration.
- i. The TRB shall meet:

- i. at the request of the Company;
- ii. at the request of the Association;
- iii. for the failure of an ITU validation or qualification event;
- iv. after receiving TRB assigned additional training, for the failure to be recommended for an ITU validation or qualification re-check ride/qualification event, or failure to be recommended for a Line Check in IOE or any phase check/qualification event in aircraft training;
- v. for failure(s) to be recommended as outlined in Section 11.K. and
- vi. for failure to complete requalification training.
- j. When necessary, Association TRB members shall be removed from flying to attend TRB meetings as provided in Section 18.A.2.a.

H. Training During a Pilot's Probationary Period

- 1. The resolution of irregularities, that occur in any training (e.g., ITU, recurrent, etc.) during a pilot's probationary period, shall be at the discretion of management and shall not involve the TRB process.
- 2. Pilots on probation require an instructor's recommendation prior to any phase check in ITU.

I. Initial, Transition and Upgrade Training Failures

- 1. General
 - a. If a first phase check/qualification event in a ground or simulator training phase is unsuccessful, an instructor's recommendation is required for the second check/qualification event in that phase.
 - b. An instructor's recommendation is required prior to any phase check/qualification event in aircraft training or initial operating experience regardless of whether additional training time has been utilized.
- 2. Training Withdrawals and Removals
 - a. A pilot may elect to withdraw from training at any time. If his withdrawal is not accomplished as provided in Section 11.I.2.f. (below), this withdrawal shall be addressed as provided in Section 11.I.3. (below).
 - b. The TRB may remove a pilot from ITU training when reasonable progress is not being made or when success is not likely. When a pilot's case has been referred to the SCP, the SCP may remove a pilot from ITU training.
 - c. A pilot will be referred to the TRB if he fails two Phase Checks in any one phase of ITU training.
 - d. The TRB will make decisions concerning requalification for all withdrawals and removals. If necessary, the TRB may decide to consult and/or refer to the SCP as provided for in Sections 11.G.2.a.vii. and ix.
 - e. If, due to extenuating circumstances, a pilot withdraws from a training cycle with the approval of the Vice President, Flight Operations, or his designee, that pilot will return to his current crew position and shall incur no training freeze.
 - f. If, due to a withdrawal or removal from training, a pilot would otherwise return to his current crew position but is unable to do so because the position is unavailable for one of the following reasons, his situation shall be addressed as provided in Section 11.I.2.h. A pilot's current crew position is unavailable if:

- i. between the closing date of the bid on which he was awarded the position for which he is training and the date on which he would otherwise return to his current crew position, a more senior pilot has been involuntarily excessed from the current crew position of the pilot in training; or
 - ii. his current crew position no longer exists (e.g., his domicile has closed); or
 - iii. he is ineligible to hold that position due to a legal restriction (e.g. regulated age, medical restriction).
- g. If a pilot is unable to return to his current crew position because that position is unavailable as provided in Section 11.I.g. (above), the following shall apply:
 - i. he shall be awarded a crew position in the same crew status as his most recent crew position consistent with his updated standing bid preference, provided he has sufficient seniority to hold that position; or
 - ii. if he is unable to designate a crew position in accordance with Section 11.I.2.h.i (above), he shall be awarded a crew position based upon his seniority and his updated standing bid preference; or
 - iii. if his seniority does not enable him to hold a crew position under Section 11.I.2.h.i. or 11.I.2.h.ii. (above), his employment status shall be determined by the Vice President, Flight Operations, consistent with the seniority and qualifications of the affected pilot.

3. Training Freezes and Reassignments

a. ITU Removals and Withdrawals

If a pilot is removed or withdraws from ITU training, his case shall be referred to the TRB.

b. Recurrent Training Downbids

After the second consecutive failure of a recurrent check ride/qualification event(s), Captains may elect to downbid to the F/O crew seat in the aircraft and base in which he was qualified as Captain. If he completes that training he shall be frozen for 2 years in that crew position, and be ineligible for passover pay. If he does not complete that training, his case shall be addressed by the TRB.

J. Recurrent Training/Continuing Qualification

1. Ground Training

A pilot shall be required to satisfactorily complete the following recurrent training activities as required by the FOTM, airplane specific AQP source documents, and the FARs:

- a. A pilot qualified in an aircraft type may require classroom ground school training.
- b. An open-book, home study or CBT program may be used in lieu of classroom training. Completion of any Company required home study entitles the pilot to one day of training pay. He shall complete recurrent CBT by the 23rd day of his grace month or 48 hours prior to the start of any activities scheduled to terminate after the expiration of such month, whichever is earlier. Failure to complete that training shall result in unpaid removal from any activities until completion of CBT.

2. Line Check Requirements

- a. A line check is an operational check ride/qualification event conducted to observe a pilot's performance of his duties and responsibilities. Line checks are required for Captains and Second Officers and may also be administered to First Officers.
- b. Line checks shall be administered by a Standards Check Airman (SCA), Line Check Airman (LCA) or an FAA Air Carrier Inspector.

K. Requalification Training

- 1. If a pilot fails to meet the recency of experience requirements (becoming noncurrent) he shall be trained to proficiency and, if recommended by an instructor, receive a qualification event per the FOTM and AQP documents.
- 2. If a pilot fails to complete recurrent training within his eligibility period (becoming overdue) he shall be trained to proficiency and, if recommended by an instructor, receive a qualification event per the FOTM and AQP documents.
- 3. If a pilot fails a check ride (becoming unqualified) he shall be trained to proficiency and, if recommended by an instructor, receive a qualification event per the FOTM and AQP documents.
 - a. If a pilot becomes unqualified due to a recurrent training failure (including line checks), his case shall be referred to the TRB and the pilot shall receive training to proficiency and, if recommended by an instructor, a recheck.
 - i. If the pilot fails a recheck under Section 11.K.3.a., his case shall be referred to the TRB and the pilot shall receive training to proficiency.
 - ii. if the pilot fails a recheck under Section 11.K.3.a.i., his case shall be referred to the TRB.
 - b. If a pilot becomes unqualified a second time within 18 months due to a recurrent training failure, his case shall be referred to the TRB and the pilot shall receive counseling and training to proficiency and, if recommended by an instructor, a recheck.
 - i. If the pilot fails a recheck under Section 11.K.3.b., his case shall be referred to the TRB and the pilot shall receive training to proficiency.
 - ii. if the pilot fails a recheck under Section 11.K.3.b.i., his case shall be referred to the TRB.
 - iii. If the pilot passes his recheck, but becomes unqualified within the next recurrent training cycle, his case shall be referred to the TRB.
- 4. Failure to complete requalification training shall be addressed by the TRB.
- 5. If a pilot is in an unqualified status due to recurrent training failure, and has an interruption in training (e.g., sick leave, leave of absence, disability), he must complete the requalification training previously underway before he is eligible for an award of any other crew position.

L. Line Check Airmen (LCA)

- 1. An LCA who checks and instructs Captains and/or First Officers shall hold and be currently qualified in the Captain crew status in the aircraft in which he performs his LCA duties.
 - a. An LCA shall be Category IIIa (and CAT IIIb, if applicable) qualified and have a minimum of 300 hours as PIC in the aircraft in which he performs the duties of a LCA.

- b. The provisions of Section 11.L.1.a, shall be waived in case of an aircraft type new to the Company fleet.
 - c. An LCA who checks Captains may also give line checks to other crew seats in that aircraft type. When a Captain or First Officer is being checked, all other crew seats are also being checked.
- 2. An LCA who checks and instructs Second Officers shall hold and be currently qualified in the Second Officer crew status in the aircraft in which he performs his LCA duties.
 - a. An LCA shall have a minimum of 100 hours as a second officer in the aircraft in which he performs his LCA duties.
 - b. The provisions of Section 11.L.2.a., shall be waived in case of an aircraft type new to the Company fleet.
- 3. The duties and the conditions of an LCA's employment shall be at the discretion of the Standards Manager, however, those duties and conditions may not contradict provisions of this Agreement.
 - a. By mutual consent of the LCA, Standards Manager, and Training Manager, an LCA may be qualified as a simulator instructor/PCA.
 - b. Notwithstanding the provisions of 11.L.5., an LCA that is brought into pay only status to qualify as a simulator instructor/PCA or to conduct simulator training, shall be scheduled in accordance with the provisions in Section 11.M.
 - c. A pilot who is qualified as a simulator instructor/PCA and also as an LCA shall receive the LCA bid period override.
- 4. An LCA shall bid on and be awarded a bid period schedule in accordance with the provisions of this Agreement.
- 5. LCA will bid by seniority for pay only bid periods. The aircraft standards manager shall determine how many LCAs are needed and coordinate the rotation of LCAs monthly. The number of pay only months shall not exceed 2 per calendar year unless waived by the LCA. The following shall apply for an LCA when he is bidding in a pay only status in order to perform LCA duties.
 - a. The maximum number of duty days shall not exceed the maximum number of R-days in the bid period (plus up to 5 days of carryover if bid). Carryover days will be paid only if work is available, as determined by the appropriate standards manager.
 - b. When assigned flight duties in an aircraft (other than fly days), the maximum number of duty days on an LCA's schedule shall be determined by dividing his pay only BLG/RLG (plus up to 5 days of carryover if bid) by 6 CH rounded to the nearest whole number. Beginning with the January, 2008 bid period, his pay only BLG/RLG shall be divided by 6:24, but the minimum number of duty days shall be 12 (15 in 5 week bid period).
 - c. When assigned a combination of flight duties in an aircraft and other duties in a training base in a single pay only bid period, a combination of Section 11.L.5.a and 11.L.5.b shall be used to determine the maximum number of events on an LCA's schedule.
 - d. He may designate up to 5 days off (which may not be in more than 2 blocks), on his awarded schedule to be days free of duty on his revised schedule. He may provide primary and secondary requests for the specific days off, and the Company shall accommodate 1 of those requests. If 2 or

more LCA's request the same days off, those requests shall be considered in seniority order.

- e. He shall be notified of his pay only schedule as soon as practicable, but at least 72 hours prior to commencement of the bid period. This minimum notice provision may be waived at the LCA's option. When LCA scheduling automation has been developed by the Company, notice shall be increased to 120 hours.
6. The Company may reschedule an LCA on a trip by trip basis to perform LCA duties with prior approval from the appropriate flight standards manager, or his designee. He shall be given at least 8 hours notice prior to a domestic trip or 12 hours notice prior to an international trip. An LCA shall not be required to work on a previously scheduled day(s) off without his consent.
7. The notice required in Section 11.L.5.e. and L.6. (above), may be waived at the LCA's option.
8. An LCA shall be compensated as follows:
 - a. He shall be compensated the BLG/RLG of his awarded bid period schedule plus additional compensation, if any, to which he is entitled, as provided in Sections 3 and 4.
 - b. If an LCA's awarded bid period schedule is revised pursuant to Section 11.L.5. (above), he shall be compensated the BLG/RLG of his awarded pay only line.
 - c. If an LCA's trip(s) is rescheduled pursuant to Section 11.L.6., he shall be compensated the greater of the following:
 - i. the scheduled value of his original trip(s); or
 - ii. the greater of scheduled or actual value of the rescheduled trip(s).
 - d. An LCA in pay only status may work up to 5 days of carryover in his current pay only month or the foot print of the carryover days in the subsequent month. If an LCA is working consecutive months in pay only status, he may work the carryover portion in either month, provided enough work is available, as determined by the appropriate training manager.
 - e. In addition to all other compensation to which he is entitled, an LCA shall receive a bid period override commencing with the first month in the program. If an LCA is sick for an extended time (90 days or greater) and is incapable of performing duties as assigned, Bid Period Override will be stopped effective 90 days from the date he called sick in VIPS. Bid Period Override will be resumed when the pilot is off sick status. The bid period override shall be based on the number of consecutive years of service as a Captain or Second Officer LCA as follows:
 - i. Captains
 - (a) Year 1: \$1,300
 - (b) Year 2: \$1,400
 - (c) Year 3: \$1,500
 - (d) Year 4 and above: \$1,600
 - iii. Second Officers
 - (a) Year 1: \$600
 - (b) Year 2: \$700

(c) Year 3 and above: \$800

f. Passover Pay for LCAs

- i. An LCA shall be entitled to passover pay if the following prerequisites are met:
 - (a) he bids for a higher paying crew position and is awarded that position; and
 - (b) a junior pilot is activated into that crew position as a result of a vacancy bid award on the same or a subsequent posting.
- ii. If an LCA is entitled to Passover pay in accordance with Section 11.L.8.f.i., (above), such Passover pay shall be calculated as follows:
 - a. beginning when the junior pilot is activated into the crew position that generated Passover pay; and
 - b. ending upon the earlier of:
 - (1) the LCA's activation into a new crew position; or
 - (2) the LCA's withdrawal from training for a new crew position.
- iii. The payment and, if applicable, repayment of Passover pay due in accordance with Section 11.L.8.f., shall be administered as provided in Section 24.D.2.c.

9. An LCA who wishes to resign his position must notify the Standards Manager at least 3 bid periods in advance.

- a. the notification period may be reduced at the discretion of the Standards Manager.
- b. the LCA may be retained in his position for up to 3 months beyond his desired resignation date at the discretion of the Standards Manager or 6 months by mutual consent.

10. LCA's hold their positions at the discretion of the Standards Manager.

11. The crew position of an LCA who resigns or is removed from the LCA program shall be determined as follows:

- a. If the LCA does not hold a bid award for a different crew position, he shall remain in his current crew position.
- b. If the LCA holds a bid award for a different crew position or, would have been awarded such different crew position but for his LCA status (pursuant to Section 11.L.8.f.) and is receiving passover pay based on such crew position, the following shall apply:
 - i. In those cases where a training date has already been assigned, the LCA will proceed to training as scheduled.
 - ii. In those cases where a training date has not been assigned, the aircraft standards manager will arrange a class date and communicate that date to the LCA.

M. Flex Instructors and Proficiency Check Airmen

1. A flex instructor/PCA who checks and instructs Captains and/or First Officers shall be currently qualified as a Captain in the aircraft on which he checks and instructs.

- a. A flex instructor/PCA shall have a minimum of 300 hours in the aircraft in which he performs his flex/PCA duties.

- b. The provisions of Section 11.M.1.a., shall be waived in case of an aircraft type new to the company fleet.
- 2. A flex instructor/PCA who checks and instructs Second Officers shall be currently qualified as a Second Officer in the aircraft on which he checks and instructs.
 - a. A flex instructor/PCA shall have a minimum of 100 hours as a second officer in the aircraft in which he performs his flex instructor/PCA duties.
 - b. The provisions of Section 11.M.2.a., shall be waived in case of an aircraft type new to the company fleet.
- 3. A PCA may check only on equipment on which he holds a crew status.
- 4. A flex instructor/PCA's duty day may be scheduled for up to 8 hours, exclusive of 1 hour lunch break, with device training not to exceed 5 hours exclusive of brief/debrief. The duties and the conditions of a flex instructor/PCA's employment shall be at the discretion of the Training Manager, however, those duties and conditions may not contradict provisions of this Agreement.
 - a. By mutual consent of the flex instructor/PCA, Standards Manager, and Training Manager, a flex instructor/PCA may be qualified as an LCA.
 - b. A flex instructor/PCA that is brought into pay only status to qualify as an LCA shall be scheduled in accordance with the provisions in Section 11.L.
 - c. A flex instructor/PCA that is flexed to the line may be scheduled LCA duties in accordance with the provisions in Section 11.L.
 - d. A pilot who is qualified as a flex instructor/PCA and also as an LCA shall receive the LCA bid period override.
- 5. A flex instructor/PCA shall bid on and be awarded a bid period schedule in accordance with the terms of this Agreement. If a flex instructor/PCA is assigned to perform flex instructor/PCA duties for an entire bid period (flex bid period), his award shall be for pay purposes only.
- 6. A flex instructor/PCA shall not be scheduled to perform instructor duties during non-flex bid periods without his consent. If he consents to perform those duties he shall be removed from his conflicting scheduled trip(s) and/or R-day(s) as necessary to perform such duties.
- 7. The Company shall not flex the instructor to training more than 2 consecutive months in pay only status without the concurrence of the flex instructor/PCA. However, if it is necessary to flex an instructor to training more than 2 consecutive months, the Company may fill those requirements in inverse seniority order. During a flex instructor/PCA's third and subsequent consecutive flex bid periods to training, he shall be scheduled for at least 2 PDO fly days in lieu of scheduled training events, subject to the limitations contained in Section 11.M.8.a., M.8.b. and M.8.c (below). Due to trip lengths in certain domiciles, PDO fly days may be pooled to accommodate a trip longer than 2 days.
- 8. A flex instructor/PCA may bump another pilot from his assigned trip(s) for PDO purposes to the extent required to maintain proficiency in the crew status in which he conducts training, and the following shall apply.
 - a. No pilot may be PDO bumped without his consent.
 - b. Flex instructor/PCAs may PDO bump another pilot in any base.

- c. Bumping a captain or first officer seat which the instructor is qualified for but can not hold based upon his system seniority, shall require an LCA, SCA, or PCA (who is a captain by seniority) to be in the other seat.
 - d. In order to maintain currency, proficiency with line operating policies and procedures, and enhance the instructor's professional capabilities, each flex instructor/PCA shall seek to attain 100 block hours (reducible by 2 hours per landing) per calendar year in the crew status in which he conducts training.
9. During a flex bid period, the Company shall construct a schedule of instructor duty days for each flex instructor/PCA, and the following shall apply.
- a. A flex instructor/PCA shall have 5 inviolate days off (which may be not more than 2 blocks). He may provide primary and secondary requests regarding which specific days shall be his inviolate days off, and the Company shall accommodate those requests in seniority order. The Company shall make all reasonable efforts to award a pilot's requested days off by seniority.
 - b. The maximum number of duty days on a flex instructor/PCA's flex bid period schedule shall not exceed the maximum number of R-days in the bid period plus up to 5 days of carryover, if bid. Carryover days will be paid only if work is available, as determined by the appropriate training manager.
 - c. If a flex instructor is working consecutive months in pay only status, he may work the carryover portion in either month, provided enough work is available, as determined by the appropriate training manager.
 - d. A flex instructor/PCA shall be notified of his flex bid period schedule as soon as practicable, but in all cases at least 72 hours prior to beginning of the flex bid period. This minimum notice provision may be waived at the flex instructor/PCA's option. When flex instructor/PCA scheduling automation has been developed by the Company, notice shall be increased to 120 hours.
 - e. Additional work days may not be scheduled without a flex instructor/PCA's consent. If the flex instructor/PCA performs assigned duties on a day previously scheduled free from duty, he shall be entitled to compensation as per Section 11.M.18 (below), as applicable.
10. When a flex instructor/PCA is assigned to instruct at a location other than his flex assigned training base, every day beginning with the first day of travel and ending on the day of return shall be considered a duty day for scheduling and compensation purposes. An instructor traveling to training shall be entitled to the following.
- a. If the deadhead block time does not exceed 2:30 hours, he shall receive one day of travel to the off site location. Upon arrival at the training location, he shall be given a 12 hour duty free period prior to commencing any brief or training. At the completion of any brief or training, he shall be given a 12 hour duty free period before being scheduled for return travel
 - b. If the deadhead block time is 2:30 hours or greater, he shall receive one day of travel to the off site location, and be scheduled in accordance with Sections 8, and 12, as if he were deadheading to normal revenue line operations. Upon arrival at the training location, he shall be given a 12 hour duty free period prior to commencing any brief or training.

11. By mutual consent of the flex instructor/PCA and the training manager, a flex instructor/PCA may be assigned a flex training base different than his flying base (e.g., LAX based pilot assigned to the MEM training base, or MEM based pilot assigned to ANC training base, etc). In such case, the following shall apply:
 - a. all training activities including travel to offsite training locations shall originate and end in flex assigned training base.
 - b. travel to or from flex training base and flying base shall not be considered a duty day for scheduling purposes.
 - c. deviation shall be permitted to and from the assigned training base or offsite training location using training travel bank which includes:
 - i. travel between flex assigned training base and offsite training in accordance with Section 11.M.10., (above); and
 - ii. 1 round trip ticket per pay only month between flex training base and flying base.
12. Emergency Draft Off site

Recognizing that emergencies may occur that could effectively stop an entire training/checking evolution, an instructor may be deadheaded to an off site location as soon as practicable to replace an individual and the following shall apply:

 - a. Deadhead travel will be on scheduled jet service or Company aircraft.
 - b. Combined deadhead duty time and training/checking shall not exceed 12 hours.
 - c. The training/checking evolution, if performed on the day of arrival, cannot exceed 6 hours, inclusive of brief and debrief.
 - d. One hour showtime for deadhead travel to off site location and 30 minutes after block-in from deadhead return shall be used when determining the time away from base for compensation purposes.
 - e. The instructor will be afforded layover accommodations following his training/checking evolution for a minimum of 10 hours crew rest.
 - f. The instructor will be compensated at 150% for the duration of the assignment.
 - g. An instructor shall not be required to accept an emergency draft off site.
13. To the greatest extent possible, the Company shall provide a flex instructor/PCA at least 12 hours notice when his scheduled duty period changes by more than 6 hours. If the instructor chooses not to accept the change, he has 90 days to coordinate with his scheduler and make-up the event.
14. A flex instructor/PCA, excluding instructors undergoing instructor training, may be assigned "reserve" instructor duty for up to 35 % of his scheduled flex duty periods in a flex bid period.
15. A Flex instructor/PCA may trade instructor assignments with the approval of his flight training manager.
16. A flex instructor/PCA may agree to reschedule his assigned duty days. A flex instructor/PCA shall not be entitled to additional compensation as provided in Section 11.M.18. (below), as a result of the application of this paragraph, provided he receives his original number of scheduled days off.

17. Bid periods in which a flex instructor/PCA is scheduled for an awarded vacation shall be non-flex bid periods to the extent practical. A flex instructor/PCA, however, who is flexed to training during a month in which he has vacation shall have his bid period schedule reduced, day for day, by the number of days in his vacation period. His vacation bank shall be reduced by an R-day value for each day of vacation. A flex instructor/PCA:
 - a. May adjust his vacation period by sliding it up to a maximum of 5 days in either direction, in accordance with Section 7.
 - b. Shall receive, if requested, a 48 hour duty free vacation buffer at each end of his vacation period. A vacation buffer shall not extend outside the bid period(s) in which the vacation occurred. A vacation buffer shall not create a conflict with a trip that began in the previous bid period.
18. A flex instructor/PCA shall be compensated as follows:
 - a. During a non-flex bid period, a flex instructor/PCA shall be compensated as follows:
 - i. When he is not performing flex duties, he shall be compensated as provided in Sections 3 and 4 of this Agreement.
 - ii. If he is requested and agrees to perform flex instructor/PCA duties on a day(s) off, he shall be compensated:
 - (a) R-day value for direct student contact activities, at 150% of his normal rate of pay for each day; or,
 - (b) R-day value at his normal rate of pay for each day of administrative/non-instructional work.
 - iii. If he is requested and agrees to perform flex instructor/PCA duties in lieu of his scheduled trip, he shall be compensated the value of the trip missed and may be used over the entire footprint of the scheduled trip.
 - iv. If he is requested and agrees to perform flex instructor/PCA duties on his scheduled R-day(s), an R-day value shall be credited toward his leveling and RLG for each such R-day.
 - b. During a flex bid period, a flex instructor/PCA shall be compensated as follows:
 - i. he shall be compensated the BLG/RLG of his awarded bid period schedule.
 - ii. if he is requested and agrees to perform flex instructor/PCA duties on a day(s) off, in excess of his required number of work days, he shall be compensated:
 - (a) R-day value for direct student contact activities, at 150% of his normal rate of pay for each day; or,
 - (b) R-day value at his normal rate of pay for each day of administrative/non-instructional work.
 - iii. he shall be paid additional compensation to which he is entitled, as provided in Sections 3 and 4.
 - c. In addition to all other compensation to which he is entitled, a flex instructor/PCA shall receive a bid period override commencing with the first month in the program. If a flex instructor/PCA is sick for an extended time (90 days or greater) and is incapable of performing duties as assigned, Bid Period Override will be stopped effective 90 days from the date he called sick in VIPS. Bid Period Override will be resumed when the pilot is off sick status. The bid period override shall be based on the number of

consecutive years functioning as a Captain, First Officer or Second Officer flex instructor/PCA as follows:

i. Captains/First Officers

- | | |
|-----------------------|--------|
| (a) Year 1: | \$800 |
| (b) Year 2: | \$900 |
| (c) Year 3: | \$1000 |
| (d) Year 4 and above: | \$1100 |

ii. Second Officers

- | | |
|-----------------------|-------|
| (a) Year 1: | \$600 |
| (b) Year 2: | \$700 |
| (c) Year 3 and above: | \$800 |

d. Passover Pay for flex instructor/PCAs

i. A flex instructor/PCA shall be entitled to passover pay if the following prerequisites are met:

- (a) he bids for a higher paying crew position and is awarded that position; and
- (b) a junior pilot is activated into that crew position as a result of a vacancy bid award on the same or a subsequent posting.

ii. If a flex instructor/PCA is entitled to Passover pay in accordance with Section 11.M.18.d.i., (above), such Passover pay shall be calculated as follows:

c. beginning when the junior pilot is activated into the crew position that generated Passover pay; and

d. ending upon the earlier of:

- (1) the flex instructor/PCA's activation into a new crew position; or
- (2) the flex instructor/PCA's withdrawal from training for a new crew position.

iii. The payment and, if applicable, repayment of Passover pay due in accordance with Section 11.M.18.d., shall be administered as provided in Section 24.D.2.c.

19. Pay only carryover credit hours shall be limited to 5 days at training day value, and shall be worked in the pay only bid period, or in the next bid period, if that is a pay only bid period, to the extent events are available. A pilot shall not be compensated for carry-over CH which he did not earn by working additional duty days.

20. A flex instructor/PCA that wishes to resign his position must notify the Training Manager at least 3 bid periods in advance.

- a. the notification period may be reduced at the discretion of the Training Manager.

- b. the flex instructor/PCA may be retained in his position for up to 3 months beyond his desired resignation date at the discretion of the Training Manager or 6 months by mutual consent.
- 21. Flex instructor/PCA's hold their positions at the discretion of the Training Manager.
- 22. The crew position of a flex instructor/PCA who resigns or is removed from the flex instructor/PCA program shall be determined as follows:
 - a. If the flex instructor/PCA does not hold a bid award for a different crew position, he shall remain in his current crew position.
 - b. If the flex instructor/PCA holds a bid award for a different crew position or, would have been awarded such different crew position but for his flex instructor/PCA status (pursuant to Section 11.M.18.d.) and is receiving passover pay based on such crew position, the following shall apply:
 - i. In those cases where a training date has already been assigned, the flex instructor/PCA will proceed to training as scheduled.
 - ii. In those cases where a training date has not been assigned, the training manager will arrange a class date and communicate that date to the flex instructor/PCA.
- 23. A flex instructor/PCA on sick leave shall have his sick bank reduced by R-day value for each work day missed due to sick.

N. Standards Check Airmen (SCA)

- 1. All provisions of Section 11.M. (Flex instructor/PCAs), shall apply to SCA except for Section 11.M.1. through M.3. and 11.M.18.c. All provisions of Section 11.M., referencing flight training managers shall apply to aircraft standards managers.
- 2. An SCA who checks and instructs Captains and/or First Officers shall hold and be currently qualified in the Captain crew status in the aircraft on which he performs his SCA duties.
 - a. An SCA shall be Category IIIa (and Category IIIb, if applicable) qualified and have a minimum of 300 hours as PIC in the aircraft in which he performs the duties of an SCA.
 - b. The provisions of Section 11.N.2.a. (above), shall be waived in case of an aircraft type new to the Company fleet.
- 3. An SCA who checks and instructs Second Officers shall hold and be currently qualified in the Second Officer crew status in the aircraft on which he performs his SCA duties.
 - a. An SCA shall be qualified and have a minimum of 100 hours as a second officer in the aircraft in which he performs the duties of an SCA.
 - b. The provisions of Section 11.N.3.a. (above), shall be waived in case of an aircraft type new to the Company fleet.
- 4. An SCA's flight activity on a day previously scheduled free from duty in excess of his required number of work days, shall be compensated at 150% of his normal rate of pay.
- 5. SCA's hold their positions at the discretion of the Standards Manager.

6. In addition to all other compensation to which he is entitled, an SCA shall receive a bid period override as described in Section 11.L.8.e.
7. A Captain SCA shall receive an additional \$500 per bid period override.
8. A Second Officer SCA shall receive an additional \$250 per bid period override.
9. When assigned flight duties in an aircraft (other than fly days), the maximum number of duty days on an SCA's schedule shall be determined by dividing his pay only BLG/RLG (plus up to 5 days of carryover if bid) by 6 CH rounded to the nearest whole number. Beginning with the January, 2008 bid period, his pay only BLG/RLG shall be divided by 6:24, but the minimum number of duty days shall be 12 (15 in 5 week bid period).
10. When assigned a combination of flight duties in an aircraft and other duties in a training base in a single pay only bid period, a combination of Section 11.M.9.b., and 11.N.9., (above) shall be used to determine the maximum number of events on an SCA's schedule.

O. General

1. For purposes of Section 11, "current crew position" is not intended to indicate that the pilot is qualified as to currency for FAR purposes.
2. Training and checks administered to non-pilots may not be conducted in Company aircraft during revenue operations.
3. To the greatest extent possible, recurrent check rides/qualification events for flex instructor/PCAs, LCAs and non-pilot instructors shall be administered by an SCA.
4. All training and check ride/qualification events conducted in aircraft shall be administered by an LCA, SCA or an FAA Air Carrier Inspector, subject to the following:
 - a. Such training and check ride/qualification events for Captains and First Officers shall be administered by a pilot who holds and is currently qualified in the Captain crew status on the aircraft, or by an FAA Air Carrier Inspector;
 - b. Such training and check ride/qualification events for Second Officers shall be administered by a pilot who holds and is currently qualified in the Second Officer crew status on the aircraft, or by an FAA Air Carrier Inspector; provided, however, that an LCA who checks Captains may also give line checks to other crew seats in that aircraft type.
 - c. Any crew seat not occupied by a pilot in training shall be occupied by a pilot who is current and qualified in that crew seat, except as provided in Section 11.O.4.d.
 - d. During a Captain's initial line check, the remaining crew positions must be occupied by a pilot(s) who is current and qualified in such seat(s). No training may be conducted in other seat positions during such a line check.
 - e. If training or a check ride/qualification event is administered on a non-revenue flight conducted solely for the purpose of training or checking, the Second Officer crew seat may be occupied by a non-pilot instructor who is current and qualified in that crew status.
5. All crew seats shall be occupied during simulator check ride/qualification events.

- a. During such simulator check ride/qualification events for a Captain or First Officer crew seat, the Captain and First Officer seats, if not occupied by a pilot being checked, shall be occupied by pilots who are currently qualified to serve in that crew seat.
 - b. During such simulator check ride/qualification events for a Second Officer crew seat, the Captain and First Officer crew seats may be occupied by non-pilot instructors who are current and qualified in those crew seats.
6. A simulator training period, except a LOFT/LOS, shall not be audio or video recorded without the written permission of all the pilots involved, and shall be erased after being viewed and critiqued by the pilots involved. A check ride/qualification event shall not be audio or video recorded.
7. A pilot assigned to occupy a crew seat in support of another pilot's training session/check ride/qualification event is not required to participate in the ground evaluation administered by the instructor during the pre-simulator briefing. The assigned pilot shall satisfy the performance standards required by his crew status. Should the pilot flying seat support encounter any significant performance issues that require training, (other than debrief), prior to his return to line flying, his case shall be referred to the TRB. A pilot shall not incur a training failure while occupying a seat in support of another pilot's training.
8. Casual observers are not permitted in a simulator during a training period or check ride/qualification event without the mutual agreement of all pilots receiving training. FAA Air Carrier Inspectors, check airmen, instructors receiving training, pilot managers, Association representative (if requested by trainee), or other Company employees receiving required training are not considered casual observers.
9. Notwithstanding Section 11.O.8., and available seating permitting, an LCA, SCA or flex instructor/PCA may observe, at the request of a pilot, his flight simulator training, aircraft training, IOE or check ride/qualification event. In those cases, an LCA, SCA or flex instructor/PCA is not entitled to additional compensation.
10. Upon request, a pilot receiving training or a check ride/qualification event in a simulator or aircraft shall be granted 1 change of instructor or check airman in the simulator, aircraft or IOE phases of ITU training.
11. No simulator check rides/qualification events shall be scheduled to be conducted between 0001 LT and 0500 LT, including brief.
12. [Intentionally left blank]
13. A pilot who is subject to a crew status freeze in accordance with Section 11 shall be released from that freeze if he is involuntarily excessed or furloughed from his crew status or can no longer hold that crew status due to legal restrictions. If a pilot is ineligible for passover pay as a result of a crew status freeze, and that freeze is lifted, he may become eligible for passover pay based on his subsequent bid award.
14. Notwithstanding other provisions of Section 11, a pilot may be assigned or awarded a crew status that he is otherwise "permanently ineligible" to hold if that crew status is the only crew status he could hold.

15. Except for de-identified training data, which is not covered by this paragraph, the Company shall retain only training records required by law (including FAA regulation), except that the Company may retain the following for 90 days after the associated training is completed:
 - a. the cover sheet from the pilot's most recent initial new hire, ITU or requalification training jacket; and
 - b. recurrent LOFT form; and
 - c. Flight Officer Proficiency Form (form 007); and
 - d. Flight Officer En Route Report (form 008).

16. A pilot may have Association representation at any conference with management involving unsatisfactory training performance. Meetings shall not be delayed unreasonably because of the need for representation.

17. Proficiency Enhancement Partnership Program

As part of its proficiency enhancement partnership program, the Company will offer the following additional training for proficiency (non-jeopardy training) at the pilot's election. This training is entirely voluntary on the pilot's part. The pilot shall not be paid for this training, nor shall it count as duty or a day of work for purposes of this Agreement. The Company shall make a good faith effort to accommodate a pilot's request for scheduling this type of training, however, this training shall not be scheduled to create a conflict with any other scheduled activities. Should a Captain or First Officer taking advantage of this program encounter any significant performance issues that require training, (other than debrief), prior to his return to line flying, his case shall be referred to the TRB; Second Officers cannot require additional training as a result of participation in this program. The Company shall offer the following four types of training pursuant to this program:

- a. ITU Audit
Pilots holding an ITU award may audit ground school, and select AST and IOE events, at the discretion of the training manager, before their training date.
- b. Proficiency Enhancement
Up to two times per year but not less than thirty days prior to scheduled recurrent training, a pilot may request proficiency enhancement training.
- c. Second Officer Basic Airmanship Proficiency Retention
Up to two times per year, a second officer may request basic airmanship proficiency retention training.
- d. Scan Rides
Basic airmanship and instrument refresher training will be offered in applicable ITU syllabi for pilots upgrading to their first flying crew seat.

SECTION 12

HOURS OF SERVICE

Definitions

Series of Trips: A combination of trips that are not separated by a legal rest period.

Operation in the Critical Period: Operation during any part of the critical period as an operating (i.e., required as part of the crew, not deadheading) crewmember.

Standby Sequence

A standby sequence is defined when a pilot's trip is awarded/assigned. A standby sequence is the period of time starting at the beginning of a standby, and ending at the scheduled departure of the next scheduled flight activity (revenue flight or deadhead), in the trip, as awarded/assigned.

Time Zone Differential (TZD)

The number of hours difference between the time zone in which a duty period begins and the time zone in which it ends.

A. General

1. Flying (Non-Company)
 - a. This Agreement contemplates that pilots shall devote their entire professional flying service to the Company, except that nothing in this Agreement shall be construed to prevent a pilot from affiliating with the military service of the United States.
 - b. Pilots shall not fly aircraft other than those operated by the Company for hire or remuneration unless authorized by the Vice President, Flight Operations, or his designee.
 - c. Except for Company flight operations, a pilot shall not perform flying which would count toward his FAR regulated block hours or duty time limitations. This does not restrict a pilot who is a member of a military guard or reserve organization in the flying of military aircraft.
2. Except as provided in Section 12.B.3.a.iii. and B.3.c.iii. (Airport Standby), and Section 25.M.1.f. (Reserve), a pilot shall be subject to operational limitations during a duty period within a trip. At all other times, a pilot shall be subject to scheduled limitations.
3. Operational Emergency

If the Company's operations are disrupted due to extenuating circumstances not within the control of the Company, including, but not limited to, severe weather, natural disasters, abnormal ATC limitations or significant system disruptions, the Vice President, Flight Operations, or his designee, may declare an operational emergency. When an operational emergency is declared, all flight, duty time and rest limitations may be extended/reduced to FAR limits,

except as provided in Section 12.D.10. An operational emergency may be declared for a specific sort facility, a region of the system, nation wide or world wide. The Company shall publish an FCIF outlining the reasons for an operational emergency within 72 hours following the declaration thereof. In case of an operational emergency declared under this paragraph, the processes described in Section 12.C.5.b.ii. (domestic) and 12.D.6.c.ii. (international), shall apply.

4. A legal rest period shall not be considered interrupted when the Company:
 - a. provides a wake-up (alert) call to the pilot:
 - i. no earlier than 2 hours prior to showtime for an international duty period; or
 - ii. more than 2 hours prior to showtime as required by Section 12.D.1.g. in situations involving ground transit time exceeding 1 hour; or
 - b. leaves any form of non-verbal communication for a pilot staying at a hotel, e.g., note under the door, phone light; or
 - c. attempts to leave a message by telephone for a pilot at a location other than a hotel; or
 - d. attempts to notify a pilot of a personal emergency.
5. Maximum Landings
 - a. A pilot shall not be scheduled to exceed 3 landings, as part of an operating crew, in a duty period that begins in the critical period. If a pilot is scheduled for 3 landings as described above, his next duty period that begins in the critical period in that trip shall have 2 or fewer landings, unless the pilot had an intervening critical period free from duty.
 - b. A pilot shall not be scheduled to exceed 5 landings, as part of an operating crew, in any duty period.
 - c. A domestic multiple day pairing shall not be scheduled for a cumulative total of more than 12 landings in the critical period except when approved by the SIG.
 - d. The landing limits in this paragraph may be increased by 1 operationally.
6. Operational Trip Return to Base
 - a. Should an operational circumstance arise which requires a flight to return to base (or remain there) with no other intermediate destination (e.g., not block out, return to blocks prior to take-off while at base, air turn-back to base), the trip is not terminated, and CRS has the following options:
 - i. revise the trip to block out in that duty period;
 - ii. revise the trip to block out after a legal rest period at base; or
 - iii. remove the pilot, in which case:
 - (1) the pilot shall be compensated the greater of 3 CH, ABH, or duty rig computed from his scheduled showtime until his actual release; and
 - (2) he shall be eligible for substitution, if applicable, for the balance of trip guarantee.
 - b. Should an operational emergency be declared (as provided in Section 12.A.3.), due to severe weather, mechanical difficulties, or other extenuating circumstances in a designated sort facility, flight crews may be rescheduled or diverted to their base. Under these circumstances, the pilot's base will be treated as a normal alternate and not as a base. As such, the trip will not terminate, but will continue as if originally transiting

the scheduled sort facility (i.e., hub turn outbound or layover in base as if the pilot was on a layover at the originally scheduled sort facility).

7. The Association shall be provided with a bid period report indicating the dates, flights and relevant circumstances in which the Vice President, Flight Operations, or his designee, exercised his authority to operationally extend a pilot beyond the Section 12.C.5. and 12.D.6. operational duty limitations or as provided in Section 12.B.3.b.ii.(c) and Section 12.B.3.d.ii.(c), except for extensions due to an operational emergency declared under Section 12.A.3.
8. If a pilot's trip is extended into time originally scheduled free from duty at base, such extension shall be limited to the following, unless the pilot consents to a longer extension:
 - a. the Company may extend a pilot:
 - i. on a domestic trip up to 48 hours into time previously scheduled free from duty at base; or
 - ii. on an international trip up to 96 hours into time previously scheduled free from duty at base.
 - b. maintenance or weather disruptions particular to the pilot's specific flight shall, but only to that limited extent, provide the Company with the ability to exceed the 48/96 hour limit without the pilot's consent.
9. Fatigue
 - a. A pilot who is excessively tired prior to check-in for a trip in domicile following a legal rest period shall notify CRS immediately and speak to an RCP/ACP or the Duty Officer about his situation. The pilot will be removed from his trip and to the extent he had trip guarantee, the hours shall be eligible for make-up.
 - b. A pilot who becomes excessively tired subsequent to trip check-in shall notify CRS immediately and talk to the Duty Officer about his situation. Depending on the pilot's situation and the Duty Officer's assessment, one of the following alternatives shall be enlisted to address the issue:
 - i. the pilot may be given a legal rest period. The pilot's schedule thereafter may also be postponed until after the legal rest period is concluded.
 - ii. The pilot's current trip may be revised to include some alternative duty assignment that more ably accommodates the pilot's situation.
 - iii. The pilot may be removed from his trip and placed in sick leave status as provided in Section 14.B.5.; the pilot shall automatically be returned from sick leave at the conclusion of his trip.
 - c. Deadheads that are necessary in any of the above situations shall be accomplished in accordance with the agreement.
 - d. In the event there are any questions about the pilot's fatigue call, the flight manager may contact the pilot to discuss the issue(s) further.

B. Duty Period Limitations

1. Duty periods begin and terminate as follows:
 - a. When the first activity in a duty period is flight deck duty, that duty period shall begin with a showtime 1 hour before the scheduled block-out or actual check-in time, whichever is later. Such duty period may begin with a showtime more than 1 hour prior to scheduled block-out if the time greater than 1 hour is designated as a standby period. Commencement of a duty

period shall not be delayed if block-out is rescheduled after scheduled showtime or actual check-in, whichever is later. If a trip is designated for a potential early pull from a pilot's base, the showtime will be revised accordingly.

Example: The scheduled block-out of 0900 is moved up to 0830. Showtime automatically moves up from 0800 to 0730, and this is not standby time. On the other hand, if the scheduled block-out remains at 0900 and the Company wants the pilot to show early at 0730, then the period between 0730 and 0800 is a standby period.

- b. When the first activity in a duty period is an aircraft deadhead, that duty period shall begin with a showtime at least 1 hour before the scheduled departure. Pilots may check in via VIPS in lieu of checking in at the FedEx operations area. The showtime for an intercontinental commercial deadhead shall be at least 1:30 hours prior to scheduled block out.
 - c. When the first activity in a duty period is a surface deadhead, that duty period shall begin at the scheduled or rescheduled time of pick up.
 - d. When a deadhead precedes flight deck duty in the same duty period, the following shall apply:
 - i. If the deadhead is on a scheduled passenger air carrier, at least 1:30 (domestic)/2:00 (international) shall be scheduled between deadhead arrival and FedEx revenue flight block-out.
 - ii. If the deadhead is on Company (freight) aircraft, (operational deadheads) chartered jet aircraft or non-freight Company jet aircraft, at least 1 hour shall be scheduled between block-in and block-out.
 - iii. If the deadhead is a surface deadhead, at least 1 hour shall be scheduled between the surface deadhead arrival and block-out.
 - e. When a deadhead follows flight deck duty in the same duty period, the following shall apply:
 - i. If the deadhead is on a scheduled passenger air carrier (i.e., not the SFS Airbridge), at least 1:30 (domestic)/2:00 (international) shall be scheduled between block-in of the FedEx revenue flight and departure of the deadhead.
 - ii. If the deadhead is on a chartered jet aircraft or non-freight Company jet aircraft, at least 1 hour shall be scheduled between block-in and block-out.
 - iii. If the deadhead is on Company jet (freight) aircraft (operational deadhead), at least 30 minutes shall be scheduled between block-in and block-out.
 - iv. If the deadhead is on surface deadhead, 15 minutes shall be scheduled between block-in and the deadhead departure.
 - f. Except as provided in Section 12.B.2. (below), when the last activity of a duty period is surface deadhead that duty period shall terminate at the scheduled arrival time of the surface deadhead.
 - g. When the last activity of a duty period is flight deck duty or air deadhead, that duty period shall terminate 30 minutes after block-in.
2. If a pilot is delayed in the completion of his assigned duties beyond the scheduled or rescheduled termination time of his duty period, (e.g. extended

customs clearance, maintenance, surface deadhead), that duty period shall end at the completion of those duties, provided he notifies CRS of his actual termination time prior to entering legal rest.

3. Standby

a. Base Airport Standby

- i. A base airport standby duty period commences at showtime for the standby.
- ii. A base airport standby duty period in which the pilot is not assigned a trip shall not exceed 5 hours.
- iii. A base airport standby pilot may only be assigned a trip with a showtime during the 5 hour standby period (for revenue operations, scheduled block-out can be no later than 1 hour beyond the 5 hour standby period). If a pilot blocks out on that trip, he shall be subject to scheduled limitations for the entire duty period, unless extended to operational limitations with the prior approval of the Vice President, Flight Operations, or his designee.
- iv. The pilot shall be notified of an assignment at least 1 hour prior to scheduled block-out, unless the first leg of the assignment is deadhead by chartered aircraft or company jumpseat, in which case the notification shall occur at least 45 minutes prior to scheduled block-out.

b. Base Hotel Standby

- i. A base hotel standby period shall not exceed 11:30 hours.
- ii. A base hotel standby pilot may only be assigned duty commencing during the standby period. If a pilot's pairing is revised, however, the following shall apply:
 - (a) If his next activity is a scheduled hotel standby and the standby is rescheduled to begin earlier, that new start time must be preceded by at least 12 hours free from duty.
 - (b) If a pilot is given an assignment with a showtime prior to the start of his next scheduled standby period, that assignment must be preceded by 12 hours free from duty.
 - (c) The 12 hour rest requirement provided in Section 12.B.3.b.ii.(a) and B.3.b.ii.(b) may be reduced to the rest requirements of Section 12.C.6., or 12.D.7., as applicable. This may only be done by the Vice President, Flight Operations, or his designee, in cases of operational emergency, as provided in Section 12.A.3., 12.C.5.b., or 12.D.6.c. If that occurs, the reduction in rest shall be reported to the Association in accordance with Section 12.A.7.
 - (d) If the pilot returns to base within his standby period, the provisions of Section 12.B.3.b.vi., B.3.b.vii and B.3.b.viii., shall apply.
 - (e) If a pilot is released early from his standby period, for purposes of this paragraph, that standby period ends upon his release.
- iii. A base hotel standby pilot shall be notified of an assignment at least 1:30 prior to scheduled block out, unless the first leg of the assignment is deadhead by chartered aircraft or Company jumpseat, in which case the notification shall occur at least 45 minutes prior to scheduled block out.

- iv. If assigned a trip, a base hotel standby pilot's duty period shall begin at the showtime for that trip. If assigned a domestic duty period, that does not consist exclusively of a deadhead, the standby pilot shall be scheduled for release to a legal rest period not later than the scheduled on-duty limit for that showtime, but in any case, the standby pilot shall be released to a legal rest period not later than 4:30 hours after the end of his standby period.
 - v. If assigned to base airport standby duty, the pilot's duty period shall begin at showtime of the airport standby. If a pilot is not assigned a trip, his airport standby shall terminate 5 hours after beginning duty for that standby or at the end of the base hotel standby period, whichever occurs first.
 - vi. A base hotel standby pilot who performs a flight sequence originating in his base and returning to his base within the same base hotel standby period, shall contact CRS within 30 minutes following block-in.
 - vii. If a base hotel standby pilot performs a flight sequence originating at a layover station and returning to his base for the purpose of resuming hotel standby status in that duty period, his 11:30 base hotel standby period starts at the showtime for that flight sequence or the beginning of the originally scheduled standby period in the base hotel standby sequence, whichever occurs first. He shall contact CRS within 30 minutes following block-in.
 - viii. If a pilot resumes base hotel standby duty as provided in Section 12.B.3.b.vi., or vii., CRS may:
 - (a) hold the pilot for the remainder of his 11:30 base hotel standby period;
 - (b) assign the pilot to further duty commencing within the 11:30 standby period; or
 - (c) release the pilot to a legal rest period.
- c. Field Airport Standby
- i. A field airport standby duty period commences at the showtime of the standby.
 - ii. A field airport standby duty period in which the pilot is not assigned a flight shall not exceed 5 hours.
 - iii. A field airport standby pilot may only be given a flight sequence with a showtime during the 5 hour standby period (for revenue operations, scheduled block-out can be no later than 1 hour beyond the 5 hour standby period). If he blocks out on the flight, he shall be subject to scheduled limitations for the entire duty period, unless extended to operational limitations with the prior approval of the Vice President, Flight Operations, or his designee.
 - iv. A field airport standby pilot who performs a flight sequence originating in his standby city and returning to that city within the same 5 hour field airport standby period, shall contact CRS within 30 minutes following block-in.
 - v. If a pilot performs a flight sequence originating at a layover city and returning to the standby city for the purpose of resuming airport standby status in that duty period, his 5 hour field airport standby period starts at the showtime for that flight sequence or the beginning of the originally scheduled standby period in the field airport standby

- sequence, whichever occurs first. He shall contact CRS within 30 minutes following block-in.
- vi. If a pilot resumes standby duty as provided in Section 12.B.3.c.iv., or v., CRS may:
 - (a) hold the pilot for the remainder of his 5 hour airport standby period;
 - (b) assign the pilot a flight sequence with a showtime within the 5 hour standby period; or
 - (c) release the pilot to a legal rest period.
 - vii. The pilot shall be notified of an assignment at least 1 hour prior to scheduled block-out, unless the first leg of the assignment is deadhead by chartered aircraft or company jumpseat, in which case the notification shall occur at least 45 minutes prior to scheduled block-out.
 - viii. If a field airport standby pilot returns to his base, unless he is released from the remainder of his trip by CRS, his trip shall not end as a result of returning to his base, notwithstanding the definition of a trip and the following shall apply:
 - (a) if the pilot is not returned to his field standby location by the end of his next duty period, then at the end of the subsequent duty period, either his trip shall end or he shall be returned to his standby location.
 - (b) the pilot may be scheduled to layover in his base prior to the application of Section 12.B.3.c.viii.(a).
- d. Field Hotel Standby
- i. A field hotel standby period shall not exceed 11:30 hours.
 - ii. A field hotel standby pilot may only be assigned duty commencing during the standby period. However, if a pilot's pairing is revised, in accordance with Section 25.S., the following shall apply:
 - (a) If his next activity is a scheduled hotel standby and the standby is rescheduled to begin earlier, that new start time must be preceded by at least 12 hours free from duty.
 - (b) If a pilot is given an assignment with a showtime prior to the start of his next scheduled standby period, that assignment must be preceded by 12 hours free from duty.
 - (c) The 12 hour rest requirement provided in Section 12.B.3.d.ii.(a) and B.3.d.ii.(b) may be reduced to the rest requirements of Section 12.C.6., or 12.D.7., as applicable. This may only be done by the Vice President, Flight Operations, or his designee, in cases of operational emergency, as provided in Section 12.A.3., 12.C.5.b., or 12.D.6.c. If that occurs, the reduction in rest shall be reported to the Association in accordance with Section 12.A.7.
 - (d) If the pilot returns to his standby city within his standby period, the provisions of Section 12.B.3.d.vi., B.3.d.vii. and B.3.d.viii., shall apply.
 - (e) If a pilot is released early from his standby period, for purposes of this paragraph, that standby period ends upon his release.
 - iii. A field hotel standby pilot shall be notified of an assignment at least 1:30 prior to scheduled block out unless the first leg of the assignment is deadhead by chartered aircraft or Company jumpseat, in which case

the notification shall occur at least 45 minutes prior to scheduled block out.

- iv. If assigned a flight, the pilot's duty period shall begin at the showtime for such flight. If assigned a domestic duty period that does not consist exclusively of a deadhead, the standby pilot shall be scheduled for release to a legal rest period not later than the scheduled on-duty limit for that showtime, but in any case, the standby pilot shall be released to a legal rest period not later than 4:30 hours after the end of his standby period.
- v. If assigned to field airport standby duty, the pilot's duty period shall begin at showtime of the airport standby. If a pilot is not assigned a flight, his airport standby shall terminate 5 hours after the showtime of that standby or at the end of the field hotel standby period, whichever occurs first.
- vi. A field hotel standby pilot who performs a flight sequence originating in his standby city and returning to that city within the same field hotel standby period, shall contact CRS within 30 minutes following block-in.
- vii. If a pilot performs a flight sequence originating at a layover city and returning to the standby city for the purpose of resuming hotel standby status in that duty period, his 11:30 field hotel standby period starts at the showtime for that flight sequence or the originally scheduled showtime for that field hotel standby sequence, whichever occurs first. He shall contact CRS within 30 minutes following block-in.
- viii. If a pilot resumes field hotel standby duty as provided in Section 12.B.3.d.vi., or vii., CRS may:
 - (1) hold the pilot for the remainder of his 11:30 field hotel standby period;
 - (2) assign the pilot to further duty commencing within the 11:30 standby period; or
 - (3) release the pilot to a legal rest period.
- ix. If a field hotel standby pilot returns to his base, unless he is released from the remainder of his trip by CRS, his trip shall not end as a result of returning to his base, notwithstanding the definition of a trip and the following shall apply:
 - (a) if the pilot is not returned to his field standby location by the end of his next duty period, then at the end of the subsequent duty period, either his trip shall end or he shall be returned to his standby location.
 - (b) the pilot may be scheduled to layover in his base prior to the application of Section 12.B.3.c.viii.(a).

C. Domestic Provisions

1. General

a. Applicability

Domestic provisions apply to activities conducted entirely within the contiguous 48 states, and to trips constructed under Section 12.D.1.b or D.1.c. (International Provisions).

b. 1-in-7

A pilot shall be relieved from all duty for at least 24 consecutive hours at least once during any seven consecutive days.

c. 1-in-10

A pilot assigned exclusively to domestic trips within a period of 240 hours shall be scheduled to be relieved from all duty at his base for at least 24 consecutive hours at least once during that period. A pilot may waive the provisions of this paragraph to prevent a phase-in conflict, by indicating his waiver when he submits his bid. It shall not be a violation of this rule if a pilot would have received the relief from duty required by this paragraph but for a bid line adjustment, reassignment trip, or a volunteer or draft assignment.

2. Domestic Block Hour Limitations

- a. A pilot shall not be scheduled as an operating crew member in excess of 8 block hours during a single duty period or during any consecutive 24 hour period, except as provided in Section 12.C.2.b.
- b. A pilot may be scheduled as an operating crew member to exceed 8 block hours during any 24 consecutive hours. Prior to exceeding 8 ABH in that period, however, he shall have received an intervening legal rest period of twice the block hours flown since his last legal rest period, or 9 hours, whichever is greater, except as provided in Section 12.C.2.c.ii., or iii.
- c. A pilot originally scheduled under Section 12.C.2.a., or b., but who, due to headwinds, ATC delays or other unavoidable circumstances (including an intermediate stop for these reasons) is projected to exceed the limitations contained in those paragraphs, may continue to the extent permitted by FAR regulations. Duty time and rest limitations as provided in Section 12.C.5. and C.6. still apply.
 - i. A pilot who, due to headwinds, ATC delays or other unavoidable circumstances (including an intermediate stop for these reasons) is projected to exceed 8 ABH without an intervening legal rest period, shall be permitted to continue to base or to his layover station, whichever is scheduled to occur first, at which point he shall receive a legal rest period. However, a crew shall not block-out from a location after having exceeded 8 hours of block time in a 24 hour period without a legal rest period.
 - ii. If a pilot is originally scheduled to exceed 8 block hours in 24 consecutive hours, as provided in Section 12.C.2.b. (above), but due to headwinds, ATC delays or other unavoidable circumstances (including any intermediate stops for these reasons), cannot receive the minimum required legal rest period, the following shall apply:
 - (a) he may be rescheduled for a legal rest period of at least twice the block hours flown since his last legal rest period, but not less than 8 hours; or
 - (b) his schedule may be revised to not exceed 8 block hours in 24 consecutive hours; or
 - (c) he may be replaced (and shall earn trip guarantee).
 - iii. If a pilot departs his base on a flight and makes an unscheduled return to that base without an intervening stop and he is then projected to exceed 8 block hours in that same duty period, the Company shall employ one of the following options:
 - (a) reschedule the pilot so as not to exceed 8 block hours; or
 - (b) schedule the pilot for a legal rest period at base to ensure future legality; or

- (c) remove the pilot, and, if he is not a MUV, MUS, CMU, AFB, VLT, or DRF pilot, he shall be eligible for substitution; or
- (d) remove the pilot, and, if he is a MUV, MUS, CMU, AFB, VLT, or DRF pilot, compensate him the greater of 3 CH, ABH or duty rig computed from his scheduled showtime until his actual release.

3. Domestic Crew Planning Limitations

Crew Planning limitations shall apply until 48 hours prior to showtime of a trip or series of trips, except that such limitations do not apply to a sequence of trips that includes an optional assignment (e.g., make-up, trip trade, volunteer or draft). Trips constructed and revisions that occur after that time shall be governed by Section 12.C.4. through C.6., as applicable.

a. Layover Minimum

A layover preceding duty as an operating pilot shall be scheduled for at least 10:15 hours. A layover preceding deadhead duty may be scheduled to a minimum of 8 hours.

b. Anchor Zone Requirements

An Anchor Zone is an 8 hour period of time, scheduled free from duty, that is common throughout a specified sequence of layovers. An anchor zone is required if a pilot's planned trip, or series of trips involves operation in the critical period. The following shall apply to trips requiring an anchor zone:

- i. The Anchor Zone shall be established based on the layover immediately preceding the first operation in the critical period and shall apply going forward only. If the first duty period in a trip or series of trips involves operation in the critical period, then the anchor zone is established based on the layover following such first operation in the critical period.
- ii. By providing a layover of 18 hours or greater, an anchor zone may be reset. If the anchor zone is reset, then for the purposes of the anchor zone concept, the remainder of the trip following the reset anchor zone is considered to be a separate trip. An anchor zone is not reset merely due to the existence of a layover of 18 hours or greater; an anchor zone is only considered reset if the anchor zone after the 18 hour layover does not share a common 8 hours with the anchor zone prior to the 18 hour layover.
- iii. An anchor zone may not be reset more than once during any trip or series of trips.
- iv. An anchor zone is not required in a layover preceding a deadhead-only duty period that concludes a trip.
- v. An anchor zone is not required on a standby trip.

c. Maximum Trip Length

A domestic trip shall not be scheduled for more than 204 hours TAFB.

d. Critical Period Operation with Deadhead Return

If flight deck duty occurs anytime in the critical period, there shall not be a following deadhead within the same duty period, except that the final duty period in a trip may contain such deadhead if the trip is scheduled to

terminate in base prior to 10:30 am and the duty period cannot be extended beyond normal scheduled duty limits to accomplish such.

e. Maximum Connect Time

When a deadhead follows flight deck duty in the same duty period, no more than 4 hours shall be scheduled between block-in of the FedEx revenue flight and departure of the deadhead.

f. Critical Period Out and Backs

Trips that depart base in the critical period and return to base in the same duty period (out and backs) shall be scheduled to block-in by 10:00 am LBT.

4. Domestic On-Duty Limitations (Scheduled)

a. Day

If the showtime for a duty period is between 0500 and 1559 LBT, that duty period shall be limited to a maximum of 13 hours scheduled, except as provided in Sections 12.C.4.d., C.4.e. or C.4.f.

b. Night

If the showtime for a duty period is between 1600 and 0059 LBT, that duty period shall be limited to a maximum of 11:30 hours scheduled, except as provided in Sections 12.C.4.d., C.4.e. or C.4.f.

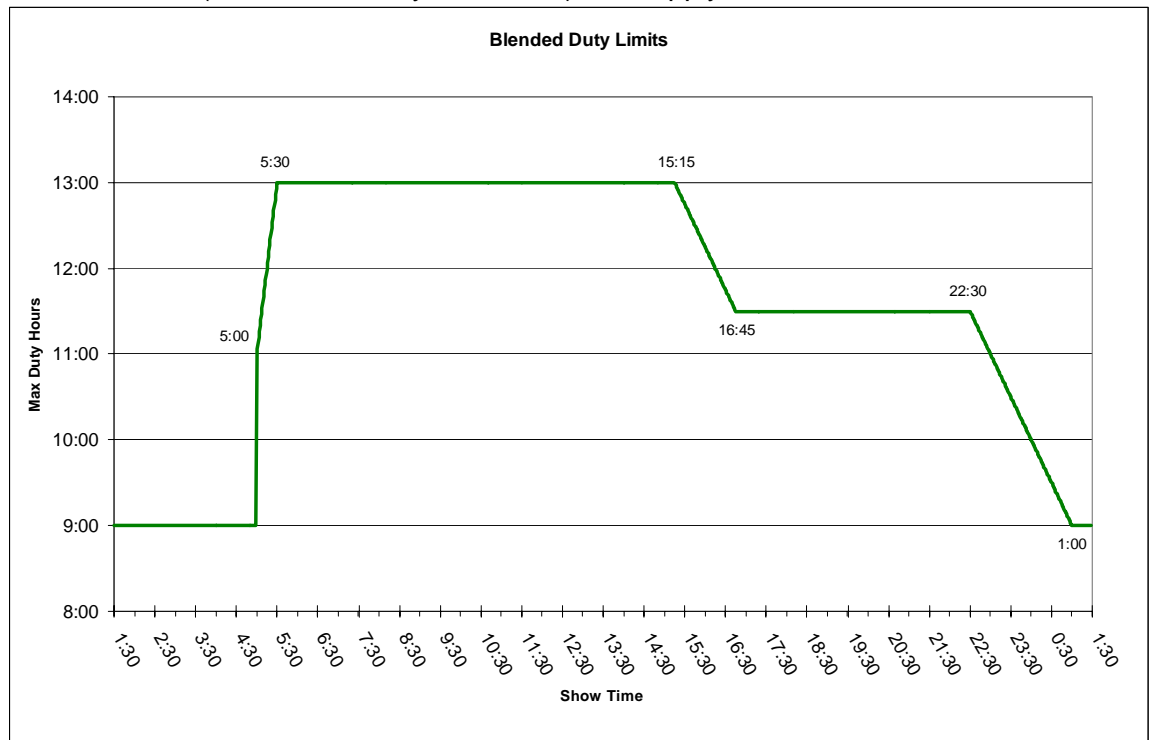
c. Critical

If the showtime for a duty period is between 0100 and 0459 LBT, that duty period shall be limited to a maximum of 9 hours scheduled, except as provided in Section 12.C.4.g. and C.4.h.

d. Blended Duty Requirements

Transitions between the scheduled duty limits set forth in Section 12.C.4.a., b. and c., shall be as follows:

- i. Day to night transition: 1515 to 1645 with 1:1 slope
- ii. Night to critical transition: 2230 to 0100 with 1:1 slope
- iii. Critical to day transition: 0500 to 0530 blend from 11 hours to 13 hours.
- iv. If a pilot's duty period contains flight segments with at least 4 hours between block-in and block-out, and a day room is scheduled and reserved during that time, normal scheduled domestic on-duty limitations (not blended duty limitations) shall apply.



- e. If a pilot's duty period comprises portions of 2 trips (e.g., two trips hub turning), one of which is an optional assignment, (e.g., make-up, trip trade, volunteer or draft) the following scheduled on-duty limitations apply:
 - i. If the duty period is less than the scheduled on-duty limitations of Section 12.C.4.a. or C.4.b. (i.e., 13 Day and 11:30 Night), then the applicable scheduled on-duty limit (i.e., 13 Day and 11:30 Night), shall still apply.
 - ii. If the duty period comprised of 2 trips exceeds the scheduled on-duty limitations of Section 12.C.4.a. or C.4.b (i.e., 13 Day and 11:30 Night), then the duty period shall be limited to a maximum of 13:30 hours scheduled on-duty.
- f. If a duty period is comprised exclusively of deadhead, the scheduled on-duty limitations contained in Section 12.C.4.a., C.4.b. or C.4.c. (above) shall apply.
- g. Deadhead Following Revenue Flight

The following applies to a duty period which includes deadhead to base after revenue flight.

- i. If the duty period began in the critical period, the entire duty period remains limited to 9 hours scheduled (i.e., no increased duty is permitted in order to deadhead).
- ii. If the duty period began in the day or night period, the entire duty period may be scheduled up to 2 hours beyond the scheduled limitations in Section 12.C.4.a. or C.4.b., in order to accomplish the deadhead. However, the portion of the duty period prior to check-in for the deadhead shall be scheduled to the on-duty limitations contained in Section 12.C.4.a. or C.4.b., as applicable.
- h. For purposes of revenue recovery, the Vice President, Flight Operations, or his designee, may authorize a trip to be scheduled up to operational limits in the critical period. This paragraph is for recovery purposes only; bid pack trips may not be scheduled this way.
- i. If a pilot is scheduled to deadhead to base after revenue flying, and his duty period exceeds 10 hours, he may obtain a hotel room at Company expense, in order to take a later flight, as provided in Section 5.B.1.f.
- j. If a pilot transits a base within a single duty period, at least 1:30 hours shall be scheduled between block-in and block-out. This paragraph does not apply to a transit which does not involve a change of aircraft.

Summary Chart for non-Blended Duty Limitations

DAY	Scheduled	Operational	FAR
0500 - 1559 LBT	13:00	14:30	16
Optional assignment awarded in excess of day limitations (e.g., SOF, SWP, PDO, VLT, DRF, etc.)	13:30	15:00	16

NIGHT	Scheduled	Operational	FAR
1600 - 0059 LBT	11:30	13:00	16
Optional assignment awarded in excess of night limitations (e.g., SOF, SWP, PDO, VLT, DRF, etc.)	13:30	15:00	16

CRITICAL	Scheduled	Operational	FAR
0100 - 0459 LBT	9:00	10:30	16

Optional assignment must be scheduled within critical limitations (e.g., SOF, SWP, PDO, VLT, DRF, etc.)	9:00	10:30	16
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5. Domestic On-Duty Limitations (Operational)

a. General Rule

A pilot shall not be operationally extended more than 1:30 past the applicable scheduled on-duty limitation, except as provided in Section 12.C.5.a.ii. and 12.C.5.b. The “applicable scheduled on-duty limitation” is the maximum scheduled on duty limitation in each category, (i.e., day, night, critical, deadhead to base or optional trip trade, VLT, etc.), with reference to Section 12.C.4.a.,b.,c.,d.,e. or f., except that if the scheduled duty limit is blended, then the operational duty limit shall be 1:30 more than that specific blended limit.

i. If a pilot’s duty period was properly scheduled as provided in Section 12.C.4.d.iv., such pilot’s scheduled duty limit remains the maximum scheduled on duty limit for his category, regardless of operational events affecting the pilot’s scheduled ground time, or ability to use his day room, (e.g., delayed inbound).

ii. Reduced Operational Limit for Early Day Period Duties

(a) If the showtime for a pilot’s duty period is between 0500 and 0530 his operational duty limit shall be :30 over his scheduled duty limit.

(b) If the showtime for a pilot’s duty period is between 0531 and 0600, his operational duty limit shall be 1:00 over his scheduled duty limit.

b. If the Company’s operations or flight(s) are disrupted due to extenuating circumstances not within the control of the Company, including, but not limited to, severe weather, natural disasters, ATC limitations or significant system disruptions, the following shall apply:

i. A pilot may, subject to Section 12.C.5.b.ii., (below), be scheduled to continue up to FAR duty limits, with the prior approval of the Vice President, Flight Operations, or his designee, if necessary to complete his scheduled or rescheduled flight sequence or return to base, whichever occurs first. Block time limitations as described in Section 12.C.2.c. still apply.

ii. In the event of a trip delay, revision or operational emergency that extends, or would extend, a pilot beyond the operational limitations, a pilot who becomes excessively tired shall notify CRS immediately and then speak to the Duty Officer about his situation. Depending on the pilot’s situation and the Duty Officer’s assessment, one of the following alternatives shall be enlisted to address the issue:

(a) The pilot’s duty may be revised to include some alternative duty that is at or within operational limits, or;

(b) The pilot may be given a legal rest period. In this case, the pilot’s schedule thereafter may be postponed until after the legal rest period is concluded. Should it be determined that the pilot requires more rest than the legal rest provided, the pilot may be removed from the balance of his trip and be placed in sick leave status. If

- the pilot is placed in sick leave status the pilot shall be automatically returned from sick leave at the conclusion of his trip.
- iii. Deadheads that are necessary in any of the situations described in Section 12.C.5.b.ii., shall be accomplished in accordance with the Agreement.
- iv. Nothing in these paragraphs shall diminish a pilot's responsibility to ensure that he has adequate rest prior to reporting for duty.
- c. The 1:30 buffer applicable to base transits may be operationally reduced to not less than 1 hour (CRS may provide the 1 hour minimum operational buffer by rescheduling the outbound segment of a hub turn).

6. Domestic Rest Provisions

- a. A domestic rest period shall be scheduled for not less than 9 hours (8 hours when the following duty period consists entirely of deadhead to base), and shall operationally be not less than 8 hours.
- b. A pilot who exceeds 8 ABH in any consecutive 24 hour period shall be scheduled for a rest period of 17 hours prior to performing his next duty as an operating crew member. That rest period may be operationally reduced as necessary, consistent with FAR limitations.
- c. If a pilot cannot be scheduled for a return deadhead within 4 hours after scheduled block-in of his last revenue flight, he shall be given a legal rest period prior to his return deadhead.
- d. If a pilot operationally receives a layover of less than 11 hours, immediately following operation in the critical period, his next layover must be at least 12 hours, unless the remainder of his trip contains only deadheading, except as provided in Section 12.A.3. (operational emergency).

D. International Provisions

1. General

- a. Except as provided in Section 12.D.1.b. and D.1.c. (below), international provisions apply to flight activities of pilots that originate from, have a destination of, or make an intermediate stop at a location outside the contiguous 48-states. A scheduled international flight activity that actually operates entirely within the 48 contiguous states shall be governed by the domestic provisions contained in Section 12.C.
- b. Domestic rest limitations may be applied to SIBA and FDA trips operating entirely outside the locations described in Section 12.D.1.c.i. (below), provided that they are scheduled not to exceed domestic block hour and on-duty limitations. Such trips must also meet the following:
 - i. no duty period is scheduled to exceed 6 block hours or 11 hours on duty; and
 - ii. if a duty period actually exceeds 6 block hours or 11 hours on duty, that duty period may be operationally extended as follows:
 - (a) to domestic limitations if the preceding rest period was at least a minimum domestic legal rest period; or
 - (b) to international limitations if the preceding rest period was at least a minimum international legal rest period; and
 - iii. if a duty period actually exceeds 6 block hours or 11 hours on duty, the pilot shall receive an international legal rest period after that duty period.

- iv. a rest period of at least 18 hours after an intercontinental deadhead shall be scheduled prior to the operation of a live flight.
- v. an international legal rest period must follow a deadhead to and from a SIBA or FDA base in a trip on which a pilot, other than a pilot on SIBA or FDA, deadheads to and from a SIBA or FDA base to perform flying described in Section 12.D.1.b. (above) (i.e., the pilot is not assigned to the SIBA or FDA location but is assigned to fly a trip at such a location).
- c. Trips in the following categories may be scheduled in accordance with domestic parameters rather than international parameters. When such trip(s) are built, they will be designated as being subject to domestic or international parameters, as applicable.
 - i. trips that operate entirely within Alaska; or within or between, Canada, Mexico, Bermuda and Puerto Rico, or between any of these locations and the contiguous 48 states.
 - ii. FDA trips operated exclusively within the "European theater." For purposes of this provision, Section 12.D.1.c.ii., the "European theater" includes airports west of 40 degrees east longitude, north of 35 degrees north latitude and east of 10 degrees west longitude. If a pilot, other than a pilot on FDA, deadheads to and from an FDA to perform flying described in this paragraph, an international legal rest period shall follow each of these deadheads, but in any case a rest period of at least 18 hours after an intercontinental deadhead shall be scheduled prior to the operation of a live flight.
 - iii. If the Company opens a new FDA to operate trips that are not in the European theater, the parties shall meet and discuss whether trips assigned to that base should be eligible for construction under Section 12.D.1.c. If the Company and the Association agree, trips in that new FDA may be constructed under Section 12.D.1.c.
- d. International Duty Free Buffer
 - i. A pilot shall be relieved of all duty for at least 24 consecutive hours prior to the start of an international trip scheduled to exceed 120 consecutive hours. A pilot may, however, be on reserve (during which time he performed no flying or standby duty) within 24 hours of the showtime for an international trip scheduled to exceed 120 consecutive hours.
 - ii. A pilot shall be relieved of all duty and reserve availability for at least 48 consecutive hours at the conclusion of an international trip that exceeds 120 hours TAFB, except for trips scheduled in accordance with Section 12.D.1.c.i. If the 48 hour buffer conflicts with an R-24 pilot's notification window, he shall be responsible for reserve assignments placed in VIPS at least 24 hours prior to the scheduled showtime of the assignment (as described in Section 25.M.3.a.iii.(b)).
 - iii. A pilot may waive this international buffer (i.e., D.1.d.i. or D.1.d.ii.). A pilot is deemed to have waived any conflict with the international buffer resulting from a bid line adjustment, reassignment trip, or a volunteer or draft assignment.
- e. International Emergency Replacement

If it is necessary to position a pilot to a location outside the contiguous 48 states, to replace another pilot who cannot complete his trip, the

positioning pilot's duty period may be extended as necessary, subject to the following conditions:

- i. no field emergency pilot is available; and
- ii. operational requirements prevent the positioning pilot from being scheduled in compliance with normal scheduling parameters (i.e., Section 12.D.5.); and
- iii. the duty time extension must be authorized by the System Chief Pilot or his designee; and
- iv. the class of service for a deadhead scheduled for less than 16 hours on duty shall comply with Section 8.A.4.c.i. and A.4.c.ii. The class of service for a deadhead scheduled to exceed 16 hours on duty shall comply with Section 8.A.4.c.iii.(b). A lower class of service may be authorized by the Vice President, Flight Operations, or his designee. In any case, the pilot's deviation bank shall be credited as provided in Section 8.A.4.c.v. (highest available class); and
- v. the pilot shall receive an international legal rest period following the deadhead.
- vi. If a pilot's duty period is extended under the provisions of this paragraph, he shall be compensated as follows:
 - (a) If the pilot is not a reserve pilot, he shall be compensated trip guarantee at 150% of his normal pay rate.
 - (b) If the pilot is a reserve pilot, 100% of the trip guarantee shall be credited toward RLG and leveling, and the remaining 50% shall be compensated in addition to RLG.
- f. A double crew may be scheduled only when the duty period requires such crew, or when the Company anticipates that such crew may be required.
- g. An international alert call will be given to all pilots on international flights by the departure city ramp at least 1 hour prior to scheduled pick-up time.
- h. [reserved]
- i. 1-in-7
A pilot shall be relieved from all duty for at least 24 consecutive hours at least once during any seven consecutive days.

2. International Grid

The international grid and its related crew planning limitations shall apply until 96 hours prior to the showtime of an international trip or series of trips, other than those scheduled in accordance with Section 12.D.1.b. or 12.D.1.c. Trips constructed and revisions that occur after that time shall be governed by Section 12.D.3. through D.10.

INTERNATIONAL GRID					
Inbound Flight Segment	Crew Complement	Sleep State	Scheduled Duty	Number of Landings	Block Hours
TZD of 5 or more	2 Pilots	Reset	13:30	3	8
		Reset	12:00	4	
		Adjusted	10:00	2	
		Not Adjusted	8:30	2	
	2 Pilots + RFO	Reset	13:30	2	12
		Adjusted	12:30	2	
		Not Adjusted	10:00	2	
	2 Full Crews (Non-A380)	Reset	18:00	*1	16
		Adjusted	16:00	*1	
		Not Adjusted	16:00	1	
	2 Full Crews (A380)	Reset	20:00	*1	16
		Adjusted	18:00	*1	
		Not Adjusted	18:00	1	
	2 Pilots 1 S/O	Reset	13:30	3	12
		Adjusted	12:30	2	
		Not Adjusted	10:00	2	
	2 Full Crews + 1 Pilot (A380)	Reset	22:00	2	20
		Adjusted	20:00	2	
		Adjusted	21:30	1	
		Not Adjusted	20:00	1	
TZD of less than 5	2 Pilots	Reset/Adjusted	13:30	3	8
		Reset/Adjusted	12:00	4	
		Not Adjusted	12:00	4	
	2 Pilots + RFO	Reset/Adjusted	13:30	2	12
		Not Adjusted	10:00	2	
	2 Full Crews (Non-A380)	Reset/Adjusted	18:00	*1	16
		Not Adjusted	16:00	1	
	2 Full Crews (A380)	Reset/Adjusted	20:00	*1	16
		Not Adjusted	18:00	*1	
	2 Pilots 1 S/O	Reset/Adjusted	13:30	3	12
		Not Adjusted	11:30	2	
	2 Full Crews + 1 Pilot (A380 Only)	Reset/Adjusted	22:00	2	20
		Not Adjusted	20:00	1	

- *This international grid landing limit may be increased by one for the accommodation of a scheduled “tech stop,” or where otherwise authorized by the Vice-President of Flight Operations, System Chief Pilot, or Director of Operations.

- a. For purposes of applying the international grid, the following values shall apply:
 - i. A layover of 32 hours or more is a reset, provided, however, that for European SIBA only, after deadheading into theater, an immediate layover of 30 hours or greater acts as a reset.
 - ii. A layover of 18 hours or more is adjusted.
 - iii. A layover of less than 18 hours is not adjusted.
 - iv. Duty periods including tech stops (e.g., HNL-NAN-SYD) may be scheduled to operate up to reset duty limits provided that the preceding layover is at least adjusted.
- b. After crossing 5 or more TZD remain on top half of the chart until a reset layover occurs.
- c. A pilot shall not be scheduled for more than 4 “not adjusted” rests in a row (containing no more than 4 hub turns).
- d. After an inbound of 5 or more TZD a reset is required if more than 1 “not adjusted” rest is scheduled
- e. International Grid minimum layovers shall be as follows:

Preceding Duty Period	Required Layover (Hours)	Duty Period Following
Revenue Operation	14	Revenue Operation
Revenue Operation	12	Hotel Standby
Revenue Operation	12	Deadhead Only
Deadhead Only	14	Revenue Operation
Deadhead Only	12	Hotel Standby
Deadhead Only	12	Deadhead Only
Hotel Standby	12	Revenue Operation
Hotel Standby	12	Hotel Standby
Hotel Standby	12	Deadhead

- f. Duty periods involving deadheads shall be scheduled in accordance with the following:

LANDINGS			DUTY LIMITS		
DH only	Live to DH	DH to live	DH only	Live to DH	DH to live
no limit	no limit	Grid	Section 12.D.5.b .and D.5.c.	Grid based on reset parameters	Grid

- g. A pilot shall be scheduled for a layover of at least 36 hours at least once in any period of 168 consecutive hours; provided, however the 36 hour layover shall not be required after all live operations in a trip are finished.
- h. Trips shall be constructed with a maximum of 313 hours TAFB in a 4-week bid period, and 390 hours TAFB in a 5-week bid period.

3. International Block Hour Limitations (Scheduled)
 - a. 2-Pilot Crew

A pilot operating as part of a two pilot crew shall not be scheduled in excess of the block hour limitations provided in Section 12.C.2. (8-in-24 and related rules).
 - b. 3-Pilot Crew

A pilot operating as part of a three pilot crew (CAP, F/O, RFO or CAP, F/O, S/O) shall have the following scheduled block hour limitations:

 - i. Not more than 12 SBH in any 24 consecutive hours on a non-stop flight.
 - ii. Not more than 11:30 SBH in any 24 consecutive hours on a flight having 1 intermediate landing.
 - iii. Not more than 10 SBH in any 24 consecutive hours on a flight having 2 or more intermediate landings.
4. International Block Hour Limitations (Operational)
 - a. 2-Pilot Crew

A pilot operating as part of a two pilot crew shall be subject to the operational block hour limitations provided in Section 12.C.2. (8-in-24 and related rules).
 - b. 3-Pilot Crew

If a pilot operating as part of a three pilot crew (CAP, F/O, RFO or CAP, F/O, S/O) is projected to exceed the scheduled block hour limitations provided in Section 12.D.3.b. (above), since the completion of his last international legal rest period due to headwinds, ATC limitations, or other unavoidable circumstances (including an intermediate stop for these reasons), he may continue to his base or his original destination, whichever occurs first. However, a crew shall not block out from a location after having exceeded 12 ABH in a 24 hour period without a legal rest period.
5. International On-Duty Limitations (Scheduled)
 - a. 13:30 Hour Duty

A pilot may be scheduled to a maximum of 13:30 hours on-duty.
 - b. 16 Hour Duty For Duty Periods Involving Deadhead Only

If a duty period is comprised entirely of deadhead, that duty period shall be limited to a maximum of 16 hours scheduled on duty, except as provided in Section 12.D.5.c. (below),
 - c. Deadheads Over 16 Hours on Duty

Deadheads may be scheduled over 16 hours in a single duty period subject to the procedures outlined in Section 8.A.4.c.iii.
6. International On-Duty Limitations (Operational)
 - a. The 13:30 hour scheduled on-duty limitation contained in Section 12.D.5.a. (above), may be operationally extended to a maximum of 15:00 hours.
 - b. The 16 hour scheduled on-duty limitation contained in Section 12.D.5.b., may be operationally extended to a maximum of 17:30 hours.
 - i. If the deadhead departure is delayed more than 2 hours, the pilot shall promptly advise CRS of such delay; and
 - ii. if, due to the delay, the pilot is projected to exceed operational limitations, he shall advise CRS, and shall be given a legal rest period, or with mutual consent of the pilot and CRS, the pilot may extend up to

the time required to complete the deadhead or until cancellation, whichever occurs first. CRS shall ensure that adequate crew rest is provided at the destination.

- c. If the Company's operations or flight(s) are disrupted due to extenuating circumstances not within the control of the Company, including, but not limited to, severe weather, natural disasters, ATC limitations or significant system disruptions, the following shall apply:
 - i. A pilot may, subject to Section 12.D.6.c.ii., (below), be scheduled to continue on duty up to 1:30 past operational limits, or 16 hours, whichever is greater, with the prior approval of the Vice President, Flight Operations, or his designee, if necessary to complete his scheduled or rescheduled flight sequence or return to base, whichever occurs first. Block time limitations as described in Section 12.D.4., still apply.
 - ii. In the event of a trip delay, revision or operational emergency that extends, or would extend, a pilot beyond the operational limitations, a pilot who becomes excessively tired shall notify CRS immediately and then speak to the Duty Officer about his situation. Depending on the pilot's situation and the Duty Officer's assessment, one of the following alternatives shall be enlisted to address the issue:
 - (a) The pilot's duty may be revised to include some alternative duty that is at or within operational limits, or;
 - (b) The pilot may be given a legal rest period. In this case, the pilot's schedule thereafter may be postponed until after the legal rest period is concluded. Should it be determined that the pilot requires more rest than the legal rest provided, the pilot may be removed from the balance of his trip and be placed in sick leave status. If the pilot is placed in sick leave status, the pilot shall be automatically returned from sick leave at the conclusion of his trip.
 - iii. Deadheads that are necessary in any of the situations described in Section 12.D.6.c.ii., shall be accomplished in accordance with the agreement.
 - iv. Nothing in these paragraphs shall diminish a pilot's responsibility to ensure that he has adequate rest prior to reporting for duty.

7. International Rest Provisions

- a. An international legal rest period shall be a minimum of 12 hours.
- b. An international duty period shall be preceded by a duty free period of not less than 12 hours, except for international trips scheduled to domestic parameters (as described in Section 12.D.1.b. and D.1.c.).
- c. If a pilot's international duty period is scheduled to exceed 8 block hours or 12 hours on-duty, he shall be scheduled for a rest period of at least 17 hours following that duty period. That rest period may be operationally reduced:
 - i. to a rest period of 16 hours.
 - ii. to a minimum of 12 hours if the ABH do not exceed 8 hours and the actual hours on duty do not exceed 12 hours; or
 - iii. to a minimum of 12 hours, as provided in Section 12.D.6.d. (below).
- d. If an international flight arrives late at a layover location, the international rest period at that location may be reduced to the extent necessary to

protect an on time departure for the next duty period. The international rest period, however, shall not be less than 12 hours plus 1 minute rest for each minute by which the duty period preceding that rest period exceeded the applicable scheduled on duty limitation.

- e. Except for international trips scheduled to domestic parameters (as described in Section 12.D.1.b. and D.1.c.), upon completion of an international duty period and prior to a domestic duty period, a pilot shall receive a minimum international legal rest period unless a greater legal rest period is required as provided in Section 12.C.7.b. (above).

8. International Double Crew Provisions

- a. A double crew for a 2-pilot aircraft shall be:
 - i. Scheduled: A double crew may be scheduled with 2 Captains and 2 First Officers or with 1 Captain and 3 First Officers, provided, however that for the first 3 bid periods during which a new lane segment is being developed, a double crew flying that lane segment shall consist of 2 Captains and 2 First Officers.
 - ii. Operational: 1 Captain and 3 First Officers 2-Pilot Aircraft
- b. A double crew may be utilized only on aircraft equipped with FAA approved rest provisions for each pilot not flying.
- c. Block Hour Limitations
A 4-pilot double crew shall not exceed 16 block hours in any 24 consecutive hours.
- d. On-duty Limitations
A 4-pilot crew on aircraft other than the A380 may be scheduled to a maximum of 18 hours on duty, which may be extended to 19:30 hours operational. A 4-pilot crew on the A380 may be scheduled to a maximum of 20 hours on duty, which may be extended to 21:30 hours operational.
- e. Rest Provisions
A double crew shall be scheduled to receive a rest period following each duty period equal to or greater than the actual on-duty hours of that duty period, but not less than 17 hours. This rest requirement may be operationally reduced to 16 hours.

9. International A380 "Double Plus" (Two Full Crews and Additional Pilot(s) as Required) Provisions

- a. An international A380 "Double Plus" crew may be utilized only on aircraft equipped with FAA approved rest provisions for each pilot not flying.
- b. Block Hour Limitations
An international A380 "Double Plus" crew shall not exceed 20 block hours in any 24 consecutive hours.
- c. On-duty Limitations
An international A380 "Double Plus" crew may be scheduled to a maximum of 22 hours on duty, which may be extended to 23:30 hours operational.
- d. Rest Provisions
An international A380 "Double Plus" crew shall be scheduled to receive a rest period following each duty period equal to or greater than the actual on-duty hours of that duty period, but not less than 17 hours. This rest requirement may be operationally reduced to 16 hours.

10. Additional Landing and Duty Extension Limitations

The following additional limits apply to trips governed by 12.D.3. through D.9., even in situations covered by Section 12.A.3. or 12.D.6.c.i.

- a. If a landing(s) is added to a trip governed by Section 12.D.3. through D.9., such landing(s) shall be limited to one more than those permitted in the International Grid, provided however, that in unusual operational circumstances (e.g., air turn backs, weather/maintenance divers, unscheduled tech stops, etc.), a pilot shall consult with the Vice President, Flight Operations or his designee, and may, at the pilot's election, exceed such limits in order to finish his scheduled flight sequence.
- b. Any extension beyond operational limits as provided in Section 12.A.3., or D.6.c.i., shall be limited to 1:30 past operational limits, or 16 hours, whichever is greater.

11. Grid Penalties

This paragraph applies to all international trips except for international trips constructed under Section 12.D.1.b. or c.

- a. A grid penalty event (GPE) occurs in the following five circumstances:
 - i. A pilot's duty period exceeds the maximum duty permitted in the Grid based on his Grid sleep state by more than 1:30.
 - ii. A pilot's layover was less than the applicable International Grid Minimum Layover (i.e., 14 hours or 12 based on the chart in 12.D.2.e).
 - iii. A pilot received more than 4 "not adjusted" rests in a row. Each rest after 4 non-adjusted rests shall be a separate GPE event. An initial GPE occurs when the pilot's sixth duty period begins without the pilot having received at least 18 hours free from duty preceding the beginning of that duty period. For purposes of Section 12.D.11.a.iii., (this paragraph) only, an unassigned hotel standby period shall be counted as part of the rest periods preceding and/or following it (e.g., an unassigned 11:30 hotel standby period, followed by a 12:30 rest period will be counted as an adjusted rest).
 - iv. A pilot exceeds the landing limitations as permitted in the grid in any single duty period.
 - v. 34-in-168 Nonconformance Penalty
If a pilot's trip did not conform to 34-in-168, (as set forth in Section 12.D.2.g., except using 34 instead of 36 hours) he shall be paid 3 CH in addition to all other compensation regardless of the 48-hour period as stated in Section 12.D.11.c., and the event shall be additive to the total count of GPEs for the trip.
- b. If all GPEs in a trip touch a single 48 hour period, no grid penalty shall be due, except as provided in Section 12.D.11.a.v. (above).
- c. If all GPEs do not touch a single 48 hour period, then the following penalties shall apply:
 - i. If the trip has two or fewer GPEs, the pilot shall be paid 3 CH per violation in addition to all other compensation. A duty period that triggers a payment under this paragraph shall be ineligible for FAR Extension Pay.
 - ii. If the trip contained more than two GPEs, the pilot's trip guarantee shall be paid a premium of 50% based on the pilot's normal rate of pay (i.e., if trip guarantee was at 100%, it pays at 150%, if trip guarantee

was at 125% (OTP), it pays at 175%, if trip guarantee was at 150%, it pays at 200%). For a reserve pilot, the CH representing the 50% premium shall not be credited toward RLG, but shall be paid in addition to all other compensation, including BLG/RLG.

- iii. If a trip has multiple GPEs, one of which is a 34-in-168 violation, the GPEs in that trip shall be deemed not to touch a single 48 hour period.

SECTION 13

LEAVES OF ABSENCE

Definitions:

1. File/Issue
A document shall be deemed "filed" or "issued," as applicable, on the day in which the document is postmarked, or if Federal Express is used, on the day in which the document is submitted to the Company for shipment.
2. Maternity period
A pilot's maternity period begins on the date of pregnancy and extends through 120 days following the date of the end of the pregnancy.

A. General

1. A pilot's filing for a leave of absence shall be directed to the Regional Chief Pilot (RCP). The filing shall be submitted as far in advance as practicable prior to the intended start of the leave filed for, except as provided in Section 13.B.1. (Personal Leave of Absence). The filing shall contain a statement of the type of leave and the reason(s) for which the leave of absence is being filed for, except that reasons for a Medical Leave of Absence shall be sent to the Company's aeromedical advisor, as provided in Section 13.C. The RCP, or a designee, shall respond in writing to a filing for a leave of absence as soon as practicable, but in no event later than 15 calendar days following receipt of the filing.
2. A pilot returning from a leave of absence is expected to possess FAA certificates and ratings consistent with the crew status to which the pilot is returning, as provided in Section 24.A.3.a., A.3.b. and A.3.c.
3. A pilot returning from a leave of absence, other than a medical leave of absence, who does not possess an FAA medical certificate, shall be placed on sick leave or Medical Leave of Absence, provided the pilot is otherwise eligible for that leave as provided for in Section 13.C. (including verification of his medical condition by the Company's aeromedical advisor if required by the Company).

4. Rules of conduct applicable to pilots in active service apply to pilots on leaves of absence. The standard for administering discipline and discharge for a pilot on a leave of absence shall be as provided in Section 19. Notice for preliminary hearings and other disciplinary proceedings shall be sent in accordance with Section 19.E.1. and Section 19.F.4. and F.5. A pilot may designate in writing an alternative mailing address for all notices.
5. A pilot on a leave of absence shall not engage in other flying employment without prior written permission from the System Chief Pilot.
6. The following provisions shall apply to a pilot capable of returning to active service following a leave of absence.
 - a. A pilot on leave of absence in excess of a full bid period shall contact the RCP to notify the RCP of the return date to active service; and the RCP shall aid the pilot in coordinating such return.
 - i. The contact shall occur at least 30 days prior to the anticipated end of his leave of absence. The RCP shall confirm, in writing if requested, the return date and resumption to active pay status, as provided in Section 13.A.6.a.ii.
 - ii. Provided that a pilot has complied with Section 13.A.6.a.i., the pilot shall be returned to active pay status upon his return. Failure to comply with Section 13.A.6.a.i., may result in the pilot's return to active pay status being delayed an amount equal to the notification delay. In no case shall the pilot be returned to active pay status later than 30 days following the pilot's return date.
 - b. A pilot's crew position upon return to duty following a leave of absence shall be determined as follows:
 - i. If no vacancy award occurred during his absence, the pilot shall return to the crew position held immediately prior to the commencement of the leave of absence.
 - ii. If a vacancy award(s) occurred during his absence, the pilot shall be awarded the crew position the pilot would have held had he not been on leave of absence, as determined by the pilot's seniority and standing bid as of 1700 GMT, 3 days following his contact with the Regional Chief Pilot specified in Section 13.A.6.a. A pilot may not be awarded a crew position at an FDA if that award would cause an excess at the FDA.

- c. If training is required for a pilot returning to active status from a leave of absence that training shall be provided as follows:
 - i. If no vacancy award occurred during the pilot's absence, the requalification training in the pilot's current crew position shall commence no later than 30 days following his return date; or
 - ii. If the pilot was awarded a vacancy from a posting prior to the commencement of the leave of absence for which the pilot has not yet completed training and/or if a vacancy award(s) occurred during the pilot's absence and the pilot elected a new award, training will be assigned as follows:
 - (a) If the training date from the prior award has lapsed, and the pilot has not elected a new award, training shall commence no later than 30 days following the return date, either in a previously vacated date or new slot; or
 - (b) If the training date from the prior award has not lapsed, or the pilot was awarded a new crew position, the Company has the following options:
 - (1) For the current crew position:
 - (A) commence requalification training no later than 30 days following the return date; or
 - (B) withhold the commencement of training, in which case the pilot shall be paid at the current pay rate while he awaits the commencement of training for the awarded crew position; and/or
 - (2) For the awarded crew position, commence training either:
 - (A) on the scheduled training date for the awarded crew position if the commencement of the date is no later than 30 days following the return date;
 - (B) out-of-seniority order with the training commencing no later than 30 days following the return date; or
 - (C) after the 30 days following the return date provided the pilot is paid at the current pay rate as stated in Section 13.A.6.c.ii.(b)(1)(B).
- d. A pilot returning from a leave of absence who requires training prior to returning to line flying shall be compensated as provided in Section 4.I.6.

- e. A pilot returning from a leave of absence who is able to return to line flying without training shall be scheduled as follows:
 - i. A pilot whose return coincides with the beginning of a bid period shall be afforded the opportunity to bid for that bid period in the normal bid process prior to his return.
 - ii. A pilot who returns for a portion of a bid period shall be assigned a custom line (Section 25.I.) for the bid period in which he returns.
- 7. A pilot on a leave of absence shall continue to accrue seniority and longevity for the duration of the leave of absence, except longevity accrual for a pilot on a Personal Leave of Absence shall be limited to 60 days. Adjustments to longevity, if any, shall be made upon a pilot's return from a leave of absence.
- 8. A pilot on a leave of absence may be converted to furlough status in accordance with Section 23. If the pilot is recalled from furlough prior to the date on which he was scheduled to return from a leave of absence, he shall have the option of returning to a leave of absence status following his recall from furlough.
- 9. With the coordination of the System Chief Pilot, or a designee, a pilot on a leave of absence shall be permitted to convert the current leave of absence to another type if the pilot otherwise qualifies for the leave. Nothing in this paragraph shall require the Company to convert a pilot to a leave of absence that the Company is not otherwise required to permit.
- 10. Failure to return to work at the expiration of a leave of absence shall cause a forfeiture of a pilot's seniority and employment rights.
- 11. Pilots needing more information regarding possible benefit continuation during or after a leave of absence should consult an Association official, benefits specialist, personnel representative, legal representative and/or refer to their Pilot Benefits Book (PBB).
- 12. A pilot on a leave of absence shall be granted access to VIPS as if he were an active pilot, except for interactive functions relevant only to pilots in active status.

13. Vacation period allocation following a pilot's return to active pay status from a leave of absence shall be treated as follows:
 - a. A pilot shall retain the previously awarded or assigned vacation period(s).
 - b. If a pilot is unable to take the scheduled vacation or bid for vacation due to a leave of absence, then within 30 days following the pilot's return to active pay status, the pilot shall select a different or new vacation period(s). The selection shall be made from among the following slots in the current year:
 - i. open slots; or
 - ii. slots currently held by any junior pilot in the crew position.
 - c. If a pilot fails to make a selection as described above, the Company may assign the pilot a vacation slot in accordance with Section 13.A.13.a.,b., and d.
 - d. If a pilot's vacation is unable to be rescheduled/assigned as provided above, the vacation bank shall be bought back, subject to the provisions of Section 7.G.6., or as an exception to the 40% buy back, the pilot may request to have the CH of vacation paid. Any vacation not bought back shall be a positive adjustment to the pilot's vacation bank for the following year.
 - e. Selection of a junior pilot's vacation slot shall not impact any junior pilot's vacation award.
14. Any medical information received by the Company's aeromedical advisor under this Section shall be treated on the same basis as medical information in Section 15.H.

B. Personal Leave of Absence

1. A filing for a Personal Leave of Absence shall be submitted as far in advance as practicable. In emergency circumstances, a Personal Leave of Absence may be granted on short notice for up to 30 days; however, if the pilot seeks additional leave beyond the 30 days, the pilot must provide at least 20 calendar days notice prior to the start of the additional leave.
2. At the discretion of the Company, a pilot may be granted a Personal Leave of Absence without pay for a period not to exceed 90 days. The System Chief Pilot may require a pilot to exhaust earned and unused vacation prior to granting a Personal Leave of Absence. A Personal Leave of Absence may be extended for additional periods, not to exceed 90 days per extension. No personal leave, including extensions, shall exceed 24 months.

C. Medical Leave of Absence

1. A pilot who files for a Medical Leave of Absence, because the pilot is unable to perform the duties as a pilot due to illness or injury, shall be placed on medical leave of absence without pay, provided the need for such leave is substantiated, if required by the Company, as provided in Section 13.C.2.
2. The Company may require a pilot filing for a Medical Leave of Absence to submit medical documentation substantiating the need for such leave from a physician selected by the pilot. Such medical documentation shall be submitted to the Company's aeromedical advisor. The Company's aeromedical advisor shall inform the RCP as to whether the pilot is able to perform his duties due to illness or injury, in accordance with Section 15.H. Disputes concerning a pilot's physical condition shall be resolved as provided in Section 15 (Medical Standards).
3. A medical leave of absence may not exceed a total continuous period of 7 years.

D. Extended Military Leave of Absence (Leaves Other than Annual Training)

1. Upon receipt of notification from the military, a pilot shall notify the Company of his need for leave and the anticipated beginning of such leave. Upon filing for an Extended Military Leave of Absence with a copy of the pilot's military service orders, a pilot shall be granted a leave of absence without pay to perform military service. All military leaves of absence and related re-employment rights and benefits shall be governed by applicable statutes and regulations.
2. When warranted by operational needs, the Company may request appropriate military or government authorities to defer a pilot's military service. Once notified of a FDA assignment, a pilot shall advise the appropriate military authorities in writing of his expected absence from the country.

E. Family Medical Leave (FMLA Type Leaves of Absence)

1. General

- a. FMLA-type leave shall mirror the 12 week (maximum) unpaid leave rights and continuation of certain benefits as provided in the Family Medical Leave Act of 1993 (FMLA).
- b. To be eligible for an FMLA-type leave, the pilot must have been an employee for at least 12 months with the Company.
- c. Except for FMLA-type leaves under Section 13.E.3. and 13.E.4., where a combined total of 12 weeks of unpaid leave is available, in cases where both spouses are employed by the Company, the employees are each entitled to a total of 12 weeks unpaid leave of absence for FMLA-type leaves.

2. Notification

A pilot shall notify his/her flight manager at least one bid period prior, if foreseeable, or as soon as is practicable if unforeseen, about the pilot's need for a FMLA-type leave of absence.

3. Absence for Birth of a Child

- a. An FMLA-type leave for birth and care of a child shall be granted consistent with existing FMLA provisions. Additional/other leaves outside the 12 week FMLA period may be available if justified by attendant medical/other circumstances. Should a pilot's medical condition require the pilot to use sick, disability, or medical leave, the use of these shall be governed by the provisions applicable to sick leave, disability and medical leave respectively.
- b. Pilots who continue to work and require a maternity uniform accommodation shall be provided a one-time allowance of \$150.00. If the initial maternity uniform is not in compliance with future uniform standards, an additional allowance will be provided to bring the uniform into compliance.

4. Absence for Adoption or Foster Care Parents

An FMLA-type leave shall be granted to adopting or foster care parents for up to 12 weeks provided the leave occurs within the 12 month period beginning 2 weeks prior to the date of adoption or placement of the child (and ending 12 months later).

5. Leave to Take Care of the Spouse, Son, Daughter or Parent of the Employee With a Serious Health Condition

A pilot shall be granted a family leave of up to 12 weeks to care for a spouse, son, daughter or parent of the employee if such person has a serious health condition. For purposes of this provision, a spouse means a husband or wife, not a domestic partner. A son or daughter means a child under 18, a child enrolled as a full time student and less than age 23, or a child age 18 or older if "incapable of self-care because of a mental or physical disability." A parent means a biological parent of the employee, not an in-law. The meaning of serious health condition is intended to be synonymous with the same term in the FMLA.

6. Limitations

- a. For purposes of FMLA-type coverage, 12 weeks means 12 calendar weeks per year, irrespective of how much or how little flying, if any, a pilot might do during the 12 week period, and irrespective of how the pilot might manipulate his/her schedule via trip trade, vacation, etc.
- b. A pilot electing to take an FMLA-type leave during a calendar year shall be entitled to move and use vacation in conjunction with such leave. If a pilot requesting an FMLA-type leave is scheduled to receive more than a 20% vacation buyback for the year, the Company may insist that the pilot take all or some portion of the requested leave as vacation.
- c. To the greatest extent practicable, a pilot shall take FMLA-type leaves in full bid period increments but in no event shall the 12 week leave be taken in any more than 4 blocks, unless a need for more intermittent leave is medically substantiated.
- d. Prior to and upon return from FMLA type leaves, a pilot will remain eligible for sick leave, (both regular and disability), vacation and disability, under the terms normally applicable to those benefits.

F. Absence During a Maternity Period & Maternity Leave of Absence

1. During a Maternity Period in conjunction with her pregnancy/care for her newborn child, a pilot may elect any of the following, either alone, or in sequence:

- a. Vacation

A pilot may use available vacation hours in her vacation bank during the Maternity Period as follows:

- i. The use of available vacation hours must be a part of a single, continuous period of absence within a Maternity Period;
- ii. If a pilot elects to use available vacation hours during a Maternity Period, the pilot shall notify her Assistant Chief Pilot, or his designee, of the election. If the need to use vacation was foreseeable, the notification shall occur prior to the opening for bidding of the initial affected bid period. If unforeseeable, the notification shall occur as soon as practicable;
- iii. The pilot shall provide her Assistant Chief Pilot (or his designee), or at her election the Company's aeromedical advisor, with a medical certification of pregnancy or childbirth, as applicable; and
- iv. A pilot who is not expected to be in a flying status at the beginning of a bid period due to her use of vacation hours during a Maternity Period shall bid in a "pay only" status. A pilot using vacation for an entire bid period may elect to take vacation in whole hour increments from 36 CH up to and including her BLG/RLG. That election may be changed from bid period to bid period and must be submitted in writing (email is acceptable) to the pilot's Assistant Chief Pilot, or his designee, within 48 hours following the close of bidding for the bid period to which the election pertains. In the absence of an election, the pilot shall be compensated at the BLG/RLG of her awarded line (if supported by her vacation bank).

- b. Sick Leave

A pilot shall be deemed automatically eligible to use sick leave within the Maternity Period from the beginning of the 21st week of pregnancy through 30 days from the end of the pregnancy, provided that the pilot provides her Assistant Chief Pilot (or his designee), or at her election the Company's aeromedical advisor, with a medical certification of pregnancy and of the beginning of the 21st week of pregnancy or a medical certification of childbirth, as applicable.

- c. Disability

A pilot's eligibility for LTD benefits shall be as provided in Section 27.

d. Unpaid Maternity Leave of Absence

- i. The use of an unpaid Maternity Leave of Absence must be a part of a single, continuous period of absence within a Maternity Period.
- ii. If a pilot elects to be placed on an unpaid Maternity Leave of Absence during a Maternity Period, the pilot shall notify her Assistant Chief Pilot (or his designee), of the election, if foreseeable, prior to the opening for bidding of the initial affected bid period, or as soon as practicable if unforeseeable.
- iii. The pilot shall provide her Assistant Chief Pilot (or his designee), or at her election the Company's aeromedical advisor, with a medical certification of pregnancy or childbirth, as applicable.
- iv. An unpaid Maternity Leave of Absence shall run concurrently with FMLA-type leave, Absence for Birth of a Child, as provided in Section 13.E.3.

2. Other uses of sick leave or vacation before, during, or after a Maternity Period are as provided by Sections 7 and 14, and other applicable Sections.

G. Association Leave

Upon filing, a pilot elected to function as a national officer of the Association or IFALPA, or appointed to national Association or IFALPA offices shall be placed on an unpaid Association Leave of Absence for the duration of such position or office. An Association Leave of Absence shall begin and end concurrent with a bid period. A pilot may not simultaneously be removed from flying under the applicable provisions in Section 18 and also be on Association Leave of Absence.

H. United States Government Executive/Legislative Leave

Upon filing, a pilot who is elected to the United States Congress, or who is serving at the appointment of the President of the United States, shall be granted an unpaid United States Government Executive/Legislative Leave of Absence for the earlier of either the duration of such office or appointment, or 6 years. The Company shall not be obligated to place such a pilot on more than two such leaves consecutively.

I. Statutorily Imposed Leaves of Absence

1. All statutorily imposed leave rights and benefits (federal or state) shall be governed by applicable statutes and regulations. The collective bargaining agreement guarantees a minimum benefit level for FedEx pilots. If required by applicable state or federal laws, the Company will provide a pilot with more generous leave benefits.
2. Pilots needing more information regarding possible benefit continuation for statutorily imposed leaves should consult with an Association, state, or Federal official, benefits specialist, personnel representative, a legal representative and/or refer to their PBB for more information about particular rights/responsibilities for statutory leaves.

SECTION 14

SICK LEAVE

A. General

1. The purpose of sick leave is to protect a pilot from loss of pay, to the extent of his sick leave accrual, when he is unable to perform his assigned duties because of injury, physical or mental illness or trip fatigue as provided in Section 12 A.9., Section 12 C.5. b.ii., and Section 12.D.6.c.
2. A pilot may review his regular and disability sick account balances in VIPS or other Company computer systems. A pilot shall continue to accrue seniority and longevity while on sick leave.
3. A furloughed pilot shall retain his regular and disability sick accounts as follows:
 - a. If a pilot is on furlough on the last day of the calendar year, the balance of his regular sick account, if any, shall be transferred to his disability sick account or to the surplus program, as applicable in accordance with Section 14.D. and 14.E. (below).
 - b. If a pilot recalled from furlough was not in an active pay status on the first day of the calendar year, he shall be credited with a pro rata portion of his annual sick leave accrual.
4. If, having exhausted his occupational injury/illness leave, a pilot receives workers' compensation payments and sick leave pay at the same time, he may use only enough sick leave so that the workers' compensation payments plus the sick leave pay equals 100 percent of his BLG/RLG.
5. A pilot who has been removed from a scheduled event and placed on sick leave shall not perform any flight duty during the time that the original event was scheduled to take place, except as follows:
 - a. by calling CRS directly, the pilot may elect to be placed back on his original event if it has not been reassigned at the time of his "well call"; or
 - b. after calling in "well," in VIPS, the pilot may elect to submit for a different event as MUS, if that event has a showtime:
 - i. outside the footprint of the original event, or
 - ii. at least 48 hours after the showtime of the original event.
6. The Company may require a pilot to provide the System Chief Pilot's designee with a written statement from the pilot's physician explaining his inability to perform his assigned duties because of illness or injury if:
 - a. The Company has a good faith, and objective reason to question a pilot's use or attempted use of sick leave; or
 - b. The pilot's absence from duty occurred in conjunction with his vacation period or a "holiday." As used herein, "holiday" means Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas Eve, Christmas, New Years Eve or New Years Day; or
 - c. The pilot has requested to utilize his disability sick account in accordance with Section 14.D.2.a.
7. A pilot may elect to use vacation CH to delay or avoid going on disability. Failure to exercise this election is a factor that may result in forfeiture of CH

from his vacation bank pursuant to Section 7.G.6. (40% limitation on vacation buy back).

B. Use of Sick Leave

1. If a pilot has no credit in his regular or disability sick accounts, and would otherwise be in sick leave status, he shall be removed from his trips while he is sick and placed on medical leave of absence (without pay). If a pilot has an injury/illness that qualifies for LTD, he will receive disability benefits in accordance with Section 27.

2. **Illness or Injury Notification Requirements**

A pilot who becomes ill or injured shall promptly notify the Company via VIPS of his unavailability for assigned duties.

- a. After notification of his illness or injury a pilot shall be placed on sick leave.

- b. **Pilots Not on Reserve**

- i. At 0700 LBT each day, any trip with 120 hours TAFB or more, with a showtime during the next two local base days that is assigned to a pilot who is on sick leave shall be available in open time for Bid Line Adjustments as provided in Section 25.L. At 1000 LBT, such trips shall become available for assignment by CRS.
- ii. At 0700 LBT each day, any trip with less than 120 hours TAFB, with a showtime during the next local base day that is assigned to a pilot who is on sick leave shall be available in open time for Bid Line Adjustments as provided in Section 25.L. At 1000 LBT, such trips shall become available for assignment by CRS, with the exception of trips with a showtime prior to 1800 LBT that same day, which shall become available for assignment by CRS at 0900 LBT.

- c. **Reserve Pilots**

The following shall apply to a reserve pilot who calls in sick for an R-day(s) or a reserve assignment:

- i. A pilot holding a line comprised entirely of R-days and who is sick for all such R-days shall be compensated his RLG and shall have his sick leave reduced by such RLG.
- ii. A reserve pilot who has been given a reserve assignment(s) prior to calling in sick shall be removed from that assignment(s) commencing at 0900 LBT on the day prior to showtime for that assignment(s) or at the time of the sick call, whichever is later.
- iii. A reserve pilot on sick leave shall be assigned open time as if he were not on sick leave (Section 25.G.3. Open Time Assignment and Section 25.M.6. Reserve Assignment Options). A reserve pilot will maintain his leveling position on the reserve list, and the scheduled credit hours for any trips he is assigned and removed as sick will be credited toward his RLG and deducted from his sick bank. Commencing at 0900 LBT each day, a reserve pilot with an assignment(s) having a showtime during the next day shall be removed for sick leave and such assignment be available for open time assignment by CRS.

3. "Well" Call

A pilot who is no longer ill or injured shall promptly notify the Company via VIPS, consistent with other provisions of this Agreement (e.g., medical clearance if required, Section 15 process if applicable). Except as provided by Section 12.A.9., Section 12.C.5.b.ii., and Section 12.D.6.c., a pilot shall remain in sick leave status until he notifies the Company via VIPS of his ability to return to flight status and, if applicable, is released by the Company aeromedical advisor to return to duty. He shall be given his original assignment(s) if it has not been reassigned to another pilot.

4. Ill or Injured During a Trip

A pilot who becomes ill or injured away from base during a trip shall earn trip guarantee for the entire trip plus actual accumulated overage, if any. He shall be charged sick leave, commencing with the next showtime following his sick call, for the remaining value of his trip. A pilot who becomes ill or injured while away from his base on Company duty shall be provided with proper medical attention, including hospitalization, when required. The Company shall provide transportation, when the pilot is able to travel, back to his base, or at the pilot's option, to his residence provided that the travel cost is limited to the travel cost of returning to base. A pilot whose placement on sick leave causes him to return to base later than scheduled shall not accrue additional CH for that late return.

5. Sick Leave Pay and Account Deductions

If a pilot is removed from an assigned activity due to sick leave, the following shall apply:

a. Pilots Not On Reserve (who hold trip guarantee)

If a pilot is removed from a trip, or portion thereof, for which he holds trip guarantee, he shall be compensated, and his sick leave account(s) shall be reduced by the scheduled credit hours for that trip.

b. Pilots On Reserve

i. If a pilot is removed from a reserve assignment due to sick leave, the scheduled CH for the assignment shall be credited toward RLG and leveling and shall be charged to his sick leave account.

ii. The CH value of an assignment (or portion thereof) shall not be charged to sick leave if it would cause the pilot to exceed RLG.

iii. Upon his return to flight status, a reserve pilot may be given an assignment(s) for which he is eligible provided that assignment does not begin prior to the scheduled termination of the last activity charged to sick leave. No legality conflict shall be considered to take place between the last reserve trip charged to sick leave and a subsequent assignment.

c. If a pilot assigned as MUS, MUV, CMU, VLT or DRF is removed from a trip prior to block out due to sick leave, he shall not earn any credit hours for that trip and no deduction shall be made from his sick leave account.

d. If a pilot assigned a reassignment trip (RAT) is removed from a trip prior to block out due to sick leave, he shall be compensated the trip guarantee of the reassignment trip at 100% of his normal pay rate and his sick leave bank shall be charged accordingly.

- e. If a pilot assigned a PDO trip is unable to operate that trip due to illness or injury, the scheduled trip guarantee shall be deducted from his sick leave account.
 - f. The sick leave account of a pilot scheduled for recurrent training shall be charged for all hours of pay received, (as applicable in Section 4.1.4., Recurrent Training Pay), but not worked as a result of sick leave.
 - g. If a pilot, having commenced initial, transition or upgrade training, is unable to attend that training due to sick leave, he shall be compensated as provided in Section 4.1.5., and his sick leave account(s) shall be reduced by 3 CH for each day sick on a scheduled event, not to exceed his BLG/RLG.
 - h. If a pilot shows for a base standby assignment, but is unable to complete that assignment due to sick leave, he shall be compensated the CH he would have earned had he completed that standby and his sick leave account shall be reduced by the same amount.
 - i. If a pilot eligible for substitution is placed on sick leave, the following shall apply:
 - i. If he is removed from a substitution trip(s), the SCH for that trip shall be credited toward his original trip guarantee and deducted from his sick leave account.
 - ii. If he is removed from a base standby assignment, 6 CH shall be credited toward his original trip guarantee and deducted from his sick leave account(s).
 - iii. If he is unavailable for a day(s) of substitution eligibility, and a deduction was not made as provided in Section 14.B.6.i.i. (above), for that day, trip rig shall be calculated for the period the pilot is unavailable due to sick leave, and shall be credited toward his substitution guarantee and deducted from his sick leave account.
 - iv. The total CH deducted from his sick leave account shall not exceed trip guarantee for his original or substitution trip(s), whichever is greater.
6. Illness or Injury for Entire Bid Period
- A pilot who has been on sick leave for at least 30 days prior to the monthly bid closing and/or is expected to be on sick leave for the entire bid period shall bid pay only unless his RCP/ACP authorizes him to bid a line for flying purposes. Unless such pilot is assigned a custom line as provided in Section 25.I., he shall be compensated the BLG or RLG of his pay only line and his sick leave account(s) shall be reduced by the same amount. If assigned a Custom Line, any credit hours earned as a result shall be credited to the applicable sick leave account(s).
7. Lapse of Currency
- A pilot on sick leave whose currency is expected to lapse shall be notified by the Company of his expected non-currency. He shall notify his flight manager of his anticipated date of return as soon as he is aware of that date. If the pilot fails to notify his flight manager of his anticipated date of return and, as a result, he cannot be scheduled for required training within 14 days following his return to flight status, he shall be placed in an unpaid status commencing on the date his currency lapses following his date of return and ending at the time his training actually commences, but no later than 14 days after his return.

C. Regular Sick Account

A pilot's regular sick account shall be credited as follows:

1. A pilot in active pay status on the first day of the first bid period of each calendar year shall be credited with 72 CH on that day.
2. A pilot not in active pay status on the first day of the first bid period of a calendar year shall be credited with 6 CH for each bid period remaining in the calendar year beginning with the bid period in which he returns to paid status, subject to Section 14.C.5. (below).
3. During the calendar year in which a pilot is hired, he shall be credited with 6 CH for each bid period remaining in such calendar year, subject to Section 14.C.5. (below).
4. If a pilot is placed in an inactive pay status following the first day of the first bid period of a calendar year, his regular sick account shall be reduced by 6 CH for each bid period during which he is in an unpaid status during the remainder of the calendar year. If the balance in his regular sick account is insufficient to make the adjustment, then the adjustment shall be made from the pilot's disability sick account. This adjustment shall occur before the pilot's regular sick account balance is converted and credited to his disability sick account or surplus program, as applicable.
5. If a pilot is in an active pay status for less than one half of a bid period, that bid period shall not count for purposes of sick leave accrual.
6. Administration
 - a. A pilot removed from an activity due to sick leave shall have the credit for that activity(ies) charged against his regular sick account. However, a pilot may elect to have that sick leave charged to his disability sick account provided he complies with the requirements of Section 14.D.2. (below).
 - b. At the end of the last bid period of each calendar year, any hours remaining in a pilot's regular sick account shall be transferred to his disability sick account, subject to the disability sick account ceiling (as described in Section 14.D.1.). Any sick leave credits in excess of the disability sick account ceiling shall be transferred to the surplus program provided in Section 14.E. (below).
7. Make-Up Sick (MUS)
A pilot is eligible to make up CH drawn from his regular sick account. No more than 72 CH per calendar year may be earned in MUS status to replace hours drawn from his regular sick account.

D. Disability Sick Account

1. The disability sick account ceiling shall be 686 CH.
2. Administration
 - a. A pilot who wishes to utilize his disability sick account shall notify his Regional Chief Pilot of the nature of his illness or injury and, if requested, provide medical documentation. A pilot may utilize his disability sick account under any of the following conditions:
 - i. The pilot's application for a medical certificate has been denied or the pilot has been advised by an aviation medical examiner or the Company's Aeromedical advisor that he is or may not be entitled to exercise the privileges of his medical certificate; or

- ii. The pilot has sustained an illness or injury that is anticipated to result in the pilot's missing more than 36 CH; or,
 - iii. The pilot has exhausted his regular sick account.
 - b. A pilot on sick leave for a full bid period or longer may elect to receive sick leave in whole hour increments from 36 CH up to and including his BLG/RLG. That election may be changed from bid period to bid period and must be submitted in writing (e-mail is acceptable) to the System Chief Pilot's designee within 48 hours following the close of bidding for the bid period to which the election pertains. In the absence of an election, the pilot shall be compensated the BLG/RLG of his awarded line.
3. Make-Up Sick--Disability
- A pilot is eligible to make up CH drawn from his disability sick account as described in Section 14.D.2.a. (above).

E. Surplus Program

As provided in Section 14.C.6.b., the number of hours remaining in each pilot's regular sick account shall be added to the existing balance in that pilot's disability sick account subject to the account ceiling. If the addition of these hours would cause the balance of the pilot's disability sick account to exceed the disability sick account ceiling, the value of the excess hours shall be deposited into the pilot's Employer Contribution Unused Sick Leave Account within the Federal Express Corporation Profit Sharing Plan. The amount of the deposit shall be determined by multiplying the excess CH by the pilot's pay rate at the end of the calendar year, or if he is no longer in active employment, by his last pay rate. The deposit shall be made during the first bid period of the following calendar year as provided in Section 28. Pilots who would otherwise have been eligible for a contribution into the pilot's Employer Contribution Unused Sick Leave Account within the Federal Express Corporation Profit Sharing Plan but for the termination of his employment, including retirement, death or resignation, prior to the close of the calendar year shall have the value of any surplus contributed to the pilot's Employer Contribution Unused Sick Leave Account.

F. Occupational Injury/Illness

- 1. A pilot who sustains a worker's compensable injury or illness covered by Section 16 shall be eligible for up to 168 CH of occupational injury/illness leave for each occupational injury or illness. Occupational injury/illness leave may be used for a recurrence of an occupational injury or illness up to the balance of the 168 CH not used for the original occurrence of the injury or illness. Occupational injury/illness leave is a non-accruable benefit. Sick leave shall not be used for occupational injuries or illnesses until occupational injury/illness is exhausted.
- 2. A pilot shall notify his flight manager (currently titled Assistant Chief Pilot) as soon as practical of any occupational injury or illness covered by this paragraph.
- 3. If a pilot exhausts his occupational injury/illness leave and remains unable to return to his scheduled duty, he may utilize his accrued sick leave as provided in this Section.

4. A pilot shall provide the Company and appropriate State authorities with medical documentation verifying an occupational injury/illness and his fitness to return to duty following the injury or illness.
5. Worker's Compensation received by the pilot for a period of absence during which he also received occupational injury/illness leave shall be reimbursed to the Company. In no case shall additional compensation received from Worker's Compensation enable a pilot to receive total compensation greater than 100% of his awarded BLG/RLG.

SECTION 15

MEDICAL STANDARDS

A. General

1. Pilots shall meet the medical standards and possess a valid medical certificate consistent with the FAA standards including its waiver, limitations, restriction, special issuance and related FAA policies for the class of medical certificate required for the pilot's crew seat.
2. Each pilot shall validate, through VIPS, the issuance of his new medical certificate not later than the earlier of the following:
 - a. 48 hours prior to the end of his due month; or
 - b. 0900 LBT the day prior to the start of any trip(s) scheduled to terminate either:
 - i. after the expiration of the pilot's medical certificate; or
 - ii. within 48 hours of the expiration.
3. While a VIPS notification(s) of a pilot's pending FAA medical certificate expiration is provided to each pilot, it is the pilot's responsibility to know and meet the medical standards by possessing a valid FAA medical certificate. Failure of a pilot to receive a VIPS notice shall not excuse the pilot's failure to maintain his/her valid FAA medical certificate. If a pilot fails to provide the Company with confirmation via VIPS that he has a valid medical certificate as required by this paragraph, before 0900 LBT on the day prior to the showtime of a trip or R-day scheduled to start within the time period as stated in Section 15.A.2., the trip or R-day shall be removed without pay, and the pilot shall not be eligible for make up. Trip(s) or R-day(s) shall no longer be removed after the pilot provides the Company with the required validation.

B. Company Payment of FAA Medical Exam Expenses

1. Provided the pilot uses the Company-issued credit card as payment, the Company shall cover an active pilot's cost of annual or semiannual FAA medical examinations including the cost of a required EKG, up to an annual maximum of \$275. If a pilot elects not to use the Company-issued credit card for any expense covered by this paragraph, reimbursement shall be limited in that year to an annual maximum of \$225. Pilots using the reimbursement option must provide an itemized list of the services performed by the FAA physician (i.e., FAA physical, EKG if any, physician's office, date, charge).
2. If an active pilot incurs medical expenses in order to qualify for an FAA medical certificate, which are not covered by Section 15.B.1., the following shall apply:
 - a. If submitted within 90 days after having incurred the expense, the Company shall reimburse such pilot for the non-routine medical expenses if:

- i. the expenses were incurred at the direction of either:
 - (a) the FAA; or
 - (b) an FAA designated Aviation Medical Examiner (AME) who reasonably concluded that, in light of FAA requirements, it was necessary to perform a non-routine medical procedure in order for the active pilot to obtain or maintain his FAA medical certificate; or
 - ii. the expenses were incurred in order to obtain a special issuance FAA medical certificate, as required by the FAA.
- b. A pilot who incurs medical expenses covered by Section 15.B.2. shall submit or cause to have submitted a medical insurance claim for any such expenses that are covered by insurance. The pilot shall provide a copy of any response(s) to the medical insurance claim to his flight manager (currently titled Assistant Chief Pilot) within a reasonable time after receiving same. The pilot shall remit to the Company the amount of any insurance claim that was both paid by the Company and reimbursed by the insurance plan. The primary purpose of Section 15.B.2.b. is to allow any group health insurance discount to be recognized for medical charges that arise out of this section and to avoid any double payment being made for the same service. If a pilot gets reimbursed from both the Company and the service is also covered and paid through the group health plan, the pilot may receive a reimbursement from the health care provider for an overpayment that actually belongs to the Company. In this case, a pilot should remit or cause to have remitted the extra monies paid back to the Company.

C. Alcohol and Drug Testing

The Company may test pilots for drugs and alcohol only in accordance with the following:

1. The Company shall maintain the drug and alcohol testing programs that are in use on the effective date of this Agreement, as long as such testing is mandated by law or regulation. The term "programs" includes the type of specimen collected, substances for which a pilot is tested, the methods of testing and the thresholds at which testing is conducted.
 - a. If any change in a testing program is mandated by law or regulation and the law or regulation does not afford multiple options of compliance, the Company shall give the Association notice and shall consult with the Association at a mutually agreeable time and location concerning such change.
 - b. If a law or regulation mandates that a testing program be changed, but affords multiple options by which compliance can be achieved, then the Company and the Association shall meet to discuss the available alternatives. The initial meeting shall commence no later than 60 days

following the date the final rule regarding the alternative methods is published in the Federal Register. Should the parties be unable to mutually agree on an alternative testing method within 60 days, then each side may elect to advocate an alternative before a mutually selected arbitrator from the non-disciplinary panel. The parties' presentations shall be in writing unless either party elects an in-person hearing. The arbitrator shall select the method of testing from the two alternatives presented. If the Company is required to implement a change prior to the conclusion of the process described in this paragraph, nothing in this paragraph shall prevent it from doing so (subject to change depending on the outcome of the Section 15.C.1.b. process).

- c. The Company may implement a non-mandatory change in a testing program only with the written consent of the Association.
2. The Company shall maintain the FedEx Drug and Alcohol Rehabilitation and Recertification Plan for Flight Crewmembers (HIMS program) that complies with FAA directives regarding pilots who require an Authorization for Special Issuance of a Medical Certificate. Such Plan shall continue to contain full Company participation (including monitoring) in rehabilitating, and returning to work, those pilots who need professional treatment, along with insurance coverage for medical and associated bills in accordance with the terms of those plans as provided in Section 27. Such Plan shall continue to contain payment by the Company of the initial evaluation and the associated psychiatric/psychological evaluation required in conjunction with the petition for a Special Issuance Medical Certificate as provided in Appendix H of the FOM.
3. If the Company has a reasonable basis to believe that a pilot's ability to perform his duties is impaired for reasons relating to substances not covered by the legally mandated drug testing programs referred to above, the pilot's case shall be handled as provided in Section 15.D.

D. Company Mandated Medical Examinations

1. The VP of Flight Operations, the System Chief Pilot, a Regional or Assistant Chief Pilot may direct a pilot to contact or see the Company's aeromedical advisor if the Company has a reasonable basis to question whether a pilot has developed or recovered from an impairment to his ability to perform his duties as a pilot.
2. A pilot in an active pay status who is directed to contact or see the Company's aeromedical advisor, shall be removed from any conflicting scheduled activities with pay until the aeromedical advisor determines whether the pilot is fit for flight duty.
3. The Company's aeromedical advisor may test and/or require the pilot to undergo a medical examination(s) and/or an evaluation(s) by a physician designated by the aeromedical advisor.
4. The Company shall pay for all examinations, tests or evaluations performed or directed by its aeromedical advisor. If the pilot is required to travel in

connection with a Company directed examination(s), test(s) and/or evaluation(s) pursuant to this paragraph, the Company shall provide and arrange transportation, lodging and per diem as provided in Section 5.

5. Following the Company's aeromedical advisor's review of the results of the examination(s), test(s) and/or evaluation(s), a determination and documented notice of same shall be made in accordance with the following:
 - a. If the Company's aeromedical advisor finds the pilot fit for duty, and the pilot agrees, the pilot shall remain on or return to active flight status without loss of pay.
 - b. If the Company's aeromedical advisor finds the pilot not fit for duty, and the pilot agrees, he shall be placed on sick leave, disability or medical leave of absence, as applicable.
 - c. If the Company's aeromedical advisor finds the pilot fit for duty, and the pilot disagrees, then:
 - i. if the pilot supplies the Company's aeromedical advisor with medical documentation substantiating his disagreement, he shall be placed or remain on sick leave, disability or medical leave of absence, as applicable. He shall remain in that status until his case is resolved as provided in Section 15.D.7. (below).
 - ii. if the pilot does not supply medical documentation supporting his disagreement within 30 days from receipt of the Company's aeromedical advisor's determination, he shall be placed on personal leave of absence. If warranted by extenuating circumstances, the System Chief Pilot shall extend the 30 day period. If the pilot subsequently supplies the required documentation, his status shall be determined pursuant to Section 15.D.5.c.i.(above).
6. If the Company's aeromedical advisor finds the pilot not fit for duty and the pilot disagrees, the pilot shall be placed or remain on sick leave, disability or medical leave of absence, as applicable, until the Company's aeromedical advisor determines the pilot to be fit for duty, or his case is resolved as provided in Section 15.D.7. (below).
7. If the pilot disagrees with the Company's aeromedical advisor, the pilot shall engage, at his expense, a second physician to evaluate his medical condition. The second physician shall be a physician designated as the Association's Aeromedical Advisor or a Senior FAA Aviation Medical Examiner selected by the pilot. If the pilot fails to provide the second physician's evaluation within 30 days following the Company's aeromedical advisor's determination, the pilot may remain on sick, disability or medical leave or be placed on personal leave of absence, as applicable, until he provides the second physician's evaluation to the Company's aeromedical advisor. If warranted by extenuating circumstances, the System Chief Pilot shall extend the 30 day period.
 - a. If the second physician agrees with the opinion of the Company's aeromedical advisor, the pilot shall return to active flying status or remain or be placed on sick leave, disability or medical leave of absence consistent with the Company's aeromedical advisor's findings.
 - b. If the second physician disagrees with the opinion of the Company's aeromedical advisor, a Medical Review Panel (hereinafter MRP) shall be convened to decide whether the pilot, in their opinion, meets the standards for holding and exercising the privileges of the pilot's medical certificate.

Pending the MRP's determination, the pilot shall be placed or remain on sick leave, disability or medical leave of absence, as applicable.

- i. An MRP shall be composed of the Company's aeromedical advisor, the physician engaged by the pilot as provided Section 15.D.5. (above), and a third physician qualified to determine the medical issue in question. The third physician shall be selected by agreement between the Company's aeromedical advisor and the pilot's physician.
- ii. As soon as practicable, the MRP shall consult and determine whether the pilot, in their opinion, meets the standards for holding or exercising the privileges of the pilot's medical certificate.
 - (a) Questions regarding the pilot's medical condition shall be resolved based on the MRP's determination. The pilot shall remain on or return to active flight status, sick leave, disability or medical leave of absence consistent with the MRP's determination as applicable.
 - (b) If the MRP rules that a pilot is fit for duty and the pilot still disagrees, the pilot shall be placed on personal leave of absence.
 - (c) If the MRP's determination disagrees with the opinion of the Company's aeromedical advisor, then:
 - (1) the Company shall make adjustments, including retroactive adjustments (e.g., back pay or restoration of sick leave), if applicable, that are necessary to make the pilot whole consistent with the MRP's determination; and
 - (2) the Company shall reimburse the pilot for all reasonable costs and expenses he incurred in connection with the determination of his medical condition pursuant to Section 15. D.7. (this paragraph).

8. Questions regarding the medical condition of a pilot who has applied for or is receiving a benefit(s) pursuant to Section 27 or 28 shall be resolved in accordance with the provisions of the applicable benefit plan(s).

E. Medical Examination Documentation

Upon request, the Company's aeromedical advisor, the pilot and the pilot's physician or a physician associated with the Association's aeromedical office, as applicable, shall be provided a copy of any report or medical record relating to any medical examination, test or evaluation of that pilot conducted pursuant to this Section. However, in cases where the Company's aeromedical advisor believes that direct pilot access to information contained in the medical records regarding a specific diagnosis of a terminal illness or a psychiatric condition could be detrimental to the pilot or the pilot's health, the aeromedical advisor may inform the pilot that access will only be provided to a designated representative of the pilot having specific written consent.

F. Effect on Certain Legal Rights

Nothing in this Section shall be construed to guarantee, deny or limit a pilot's right to FAA, NTSB or judicial appeal procedures, nor shall it preclude the Company from assisting a pilot with medical problems to regain his medical certificate and return to flight status. This assistance may also include directing the pilot to challenge or appeal the results of adverse findings to the Federal Air Surgeon. All costs of any Company directed challenge/appeal shall be paid by the Company.

G. Limitation of Medical Procedures

1. Flight Management shall not require a pilot to submit to a psychological or psychiatric examination. However, flight management may refer a pilot to the Company's aeromedical advisor in accordance with Section 15.D.1. (reasonable basis to question fitness). A pilot may be required to undergo a psychological/psychiatric examination if directed by the Company's aeromedical advisors based on their independent evaluation, in accordance with Section 15. The evaluation conducted by the Company's aeromedical advisors is expected to include contact with the pilot and any other preliminary evaluation that is necessary in order to reach an independent, informed decision as to the need for further testing.
2. Nothing contained in this Section shall be construed to permit the Company to require a pilot to submit to any medical treatment or invasive procedure which is not consistent with reasonable and current medical practice or which poses an unreasonable threat to the pilot's health. This paragraph shall not be construed to prohibit testing for drugs, alcohol and, if applicable, other substances pursuant to the provisions of Section 15.C. (above).
 - a. If the Company's aeromedical advisor determines that a treatment, procedure or evaluation is appropriate in the circumstances of a case, he shall consult with the pilot's physician or a physician associated with the Association's aeromedical office, as applicable, for the purpose of determining the permissibility of that treatment, procedure or evaluation under the provisions of Section 15.G. (this paragraph). The issue shall be resolved by mutual agreement of those 2 physicians.
 - b. If the 2 physicians cannot agree, the matter shall be submitted immediately to a third physician selected by the Company and the Association. The Company, the Association and the pilot shall be bound by the findings of the third physician. The fees and expenses of the third physician shall be shared equally by the Company and the Association or the pilot; provided, however, that if the third physician agrees with the pilot, the Company shall reimburse the pilot for all reasonable costs incurred in connection with this paragraph.

H. Confidentiality of Medical Information

All reports and records of any medical examination, test or evaluation of a pilot pursuant to this Section shall be strictly confidential between the Company's aeromedical advisor and the pilot. Those reports and records shall not be divulged, except in the administration of this Agreement on a "need to know basis" or as required by law, to any other person or entity without the written permission of the pilot. If required by law to divulge, the Company shall provide the pilot notice of such, and upon the request of the pilot, provide the pilot with a copy of such records and reports, unless prohibited by law from doing so. If the final determination of a pilot's medical condition pursuant to this Section is that the pilot is not medically fit for duty, the Company's aeromedical advisor may provide a report regarding the pilot's medical condition to officials in the Benefits Department on a "need to know" basis. Those officials shall receive only as much information as is necessary for them to perform their job functions.

I. General

Nothing in Section 15 shall be construed to limit the Company's authority to act in accordance with Section 19. Disciplinary issues arising out of the application of Section 15 shall be handled in accordance with Sections 19 and 21.

SECTION 16

WORKERS' COMPENSATION BENEFITS

- A. Nothing in this Section shall be construed to alter the limits of coverage, or the basis of liability, provided under the Workers' Compensation law of any state.
- B. Notwithstanding the provisions of Section 16.A. (above), if a pilot suffers an otherwise compensable injury and is ineligible for Workers' Compensation benefits due solely to the geographic location at which the injury occurred, the Company shall provide him with benefits no less favorable than the benefits for which he would have been eligible in the state in which he is domiciled.
- C. A pilot who is injured while on a trip or other Company business shall notify his flight manager (currently titled Assistant Chief Pilot) of such injury as soon as practicable. A workers' compensation claim shall be processed expeditiously.
- D. The Company shall reimburse a pilot for all out-of-pocket medical expenses incurred in connection with a workers compensable injury.
- E. If a pilot has sustained a worker's compensable injury or illness covered by this Section, his occupational illness/injury payments shall be an offset against his workers' compensation benefits. If, having exhausted his occupational injury/illness leave, as provided in Section 14.F., a pilot receives workers' compensation payments and sick leave pay at the same time, he may use only enough sick leave so that the workers' compensation payments plus the sick leave pay equals 100 percent of his BLG/RLG.
 - 1. In order to best ensure that medical expenses are covered by workers' compensation as quickly as possible, an injured pilot should first attempt to contact his flight manager (currently titled Assistant Chief Pilot).
 - 2. If the pilot cannot contact his flight manager (currently titled Assistant Chief Pilot) immediately and needs treatment, the pilot may request the treating facility to call FedEx Risk Management in the pilot's domicile in order to get the initial treatment expenses billed to Risk Management. If such does not occur, the pilot may always use personal health insurance or pay cash, in order to get required treatment, and the Company shall reimburse all charges (including deductibles and co-payments) for medical treatment through workers' compensation.
 - 3. The pilot may contact his flight manager (currently titled Assistant Chief Pilot) to ensure expeditious reimbursement by workers' compensation.

SECTION 17

PRISONER OF WAR OR HOSTAGE BENEFITS

- A. A pilot who, while on a trip or on other Company business, and as a result of war, rebellion, insurrection, terrorist act or action of a foreign government, becomes missing or interned, or is hijacked, or taken a prisoner of war by a foreign government, shall continue to accrue seniority and longevity during the period of his absence.
- B. The Company shall provide such pilot with the following benefits until the date of release, the official date of death or, if the pilot's whereabouts are unknown, the expiration of 5 years after the pilot's disappearance or captivity, whichever occurs earliest:
 - 1. Bid period compensation equal to the pilot's average credit hours per bid period during the last 12 bid periods (including credit hours earned in VLT, DRF, etc.), considering only those bid periods during which the pilot flew, or was compensated as if he had flown, for an entire bid period multiplied by the pay rate in his current crew position.
 - 2. Applicable insurance benefits and other benefits attendant to his employment status.
 - 3. Accruals and contributions normally made by the pilot and/or the Company.
 - 4. Continuation of insurance benefits for spouse and/or eligible dependents of the pilot.
- C. The benefits described in Section 17.A., shall not apply to:
 - 1. conduct relating to the operation of a Company aircraft that would constitute just cause for termination, if established; or
 - 2. conduct not relating to operation of Company aircraft that would constitute just cause for termination or which could have led to the pilot's imprisonment for more than 30 days under Federal law or the laws of the State of Tennessee, if established. The benefits described in Section 17.A., shall not be withheld pursuant to this paragraph until the Company has presented the pilot with notice of its intent to apply this paragraph, and has allowed the pilot to respond.
- D. Compensation and other benefits payable under this Section shall be provided to the beneficiaries indicated by the pilot in his Beneficiary Designation Form. In the absence of a completed beneficiary designation form, the Company shall deposit all applicable benefits in trust for the pilot until his status has been legally determined. The trustee shall invest such funds in accordance with applicable fiduciary responsibilities.
- E. Should the pilot's spouse and/or eligible dependents wish to continue health coverage beyond the end of the appropriate benefit continuation period provided in Section 17.A., they may do so under the provisions of COBRA. Pilots and their spouses and/or eligible dependents needing more information regarding COBRA (including time limits) should refer to Section 27 of this Agreement.
- F. The Company shall provide each pilot with a beneficiary designation form in the manner described below. Each pilot shall submit such designation form to the designated Company official within 30 days of the effective date of this Agreement, or, in the case of new hires, within 30 days of the pilot's date of hire.

PRISONER OF WAR OR HOSTAGE BENEFITS BENEFICIARY DESIGNATION

To: Federal Express Corporation

You are hereby directed to pay all monthly compensation allowable to me under Section 17 and any other benefits due under the provisions of this Agreement while missing or resulting from death or any other condition which causes direct payment to be impossible as follows:

_____ % of my monthly pay to

(name)

(address)

as long as living, thereafter to

(name)

(address)

as long as living.

The balance, if any, and any amounts accrued after the death of all persons named in the above designation shall be held for me, or in the event of my death before receipt thereof, shall be paid to the legal representative of my estate.

The foregoing direction may be modified from time to time by letter signed by the undersigned, and any such modification shall become effective upon receipt of such letter by you.

Payments made by the Company pursuant to this direction shall fully release the Company from the obligation of making any further payments with respect thereto.

(Pilot's Signature)

(Print Name) - (Emp. #) - (Date)

SECTION 18

WITNESSES AND REPRESENTATIVES

A. Removal from Duty

1. During their terms of office, the MEC Chairman, Vice-Chairman and Secretary-Treasurer of the Association, and pilots elected to function as a national officer of the Association or IFALPA, or appointed to national Association or IFALPA offices, shall be removed from flying as provided in Section 18.B.1.b. or c.
2. Pilots Other than ALPA/IFALPA Officers
 - a. The pilots comprising the MEC negotiating committee (up to five pilots), members of the System Board of Adjustment, and Training Review Board (TRB) members shall be removed from flying at the Association's notification, provided that the Association complies with Section 18.A.4.a. and c. Removals sent later than the 3 day business window shall not be unreasonably denied.
 - b. MEC members, or designees (one substitute for each absent MEC member) attending quarterly meetings, the ALPA Executive Vice-President, and members of the Pilot Benefit Review Board shall be removed from flying at the Association's notification if the notification is made prior to the close of the Conflict Input Window as described in Section 25.E.2. for the affected bid period, and the Association complies with Section 18.A.4.a. If a removal is sent subsequent to the applicable Conflict Input Window, the trip removal will be processed under Section 18.A.3. and A.4. (excluding A.4.b.), except that removals for pilots holding a secondary line shall be treated as having been sent prior to the close of the Conflict Input Window.
3. Upon written request by the MEC Chairman, or his designee, a reasonable number of pilots (e.g., pilots appointed to ALPA national committees, MEC committee chairpersons, etc.) shall be removed from flying to participate in the business of the Association or to participate in dispute resolution proceedings provided that any removal shall not unduly disrupt the Company's operations.
4. Unless otherwise provided for, removal of pilots from flying pursuant to this Section shall be handled as follows:
 - a. The documentation supporting such removal shall include the pilot's name, employee number, domicile, equipment type, seat, trip(s)/R-day(s) and date(s) on which the pilot is to be removed from flying. Such documentation shall be sent in a manner permitting immediate delivery and verification (e.g., email, facsimile), or by telephone call if such systems are unavailable.
 - b. Documentation supporting a removal for an entire bid period shall be sent, by the MEC Chairman, or his designee, prior to the close of the Conflict Input Window for the affected bid period(s).
 - c. Unless otherwise agreed, documentation supporting a removal for other than a full bid period shall be sent to the Director, Contract Administration, or his designee, not later than 3 business days (Monday through Friday excluding holidays) in advance of the report time(s) of the trip(s) or reserve day(s) for the affected pilot(s).

- d. Unless otherwise agreed, the Director, Contract Administration, or his designee, shall respond in writing and transmit the response by facsimile to the MEC office and to the pilot via email, as soon as practicable, but not later than 2 business days following receipt of the removal documentation. Any response denying or limiting a removal shall include a statement of the grounds upon which the intended removal was denied or limited.
 - e. Requests shall not be unreasonably made or denied.
 - f. A pilot removed from flying for Association business shall remain on Association business for the entire period for which he was removed, except as provided in Section 18.A.6. (sick leave).
 - g. The MEC may use Company email to make initial contact with a pilot for business or trip drop planning purposes.
5. The following shall apply to a pilot removed for Association Business during a month in which he has a scheduled vacation, whether he is bidding in a flying, or pay only status.
- a. A pilot shall bid for, and be awarded, a vacation as if he were not removed for Association business.
 - b. A pilot awarded a regular line who has a scheduled vacation conflict with any trip(s), or conflict with the international buffer of an international trip, will be paid the full BLG. Trip(s) conflicting with vacation shall be charged to his vacation bank.
 - c. A pilot awarded a secondary line who has a scheduled vacation will be paid the full BLG but will have his vacation bank charged for each day of vacation.
 - d. A pilot awarded a reserve line who has a scheduled vacation will be paid the full RLG but will have his vacation bank charged the value of a reserve day for each day of vacation.
 - e. The Association will be billed, pursuant to Section 18.C., for the difference of the BLG/RLG minus the vacation value.
6. A pilot removed from flying for Association business, who, due to illness or injury, is unable to perform any Association business, may have his Association business status canceled. The MEC Chairman, or his designee, and the pilot shall each notify the System Chief Pilot, or his designee, in writing that the affected pilot shall be placed on sick leave status. This paragraph shall not apply to pilots removed for an entire bid period.
- a. If a regular or secondary line pilot's trip(s) has been removed for Association business and he then becomes sick, the removal code(s) for that trip(s) shall be changed from Association business to sick leave pursuant to the following procedures:
 - i. At 0900 Local Base Time (LBT), the day prior to the scheduled report time for each affected trip, the removal code will be changed to sick leave while the pilot continues on sick leave.
 - ii. A pilot shall not be permitted to convert his status for a trip from Association business status to sick leave status after the beginning of that trip.
 - iii. Once a trip removal code has been changed from Association business status to sick leave, no further removal changes will be made, except as provided in Section 18.A.6.c. (below).

- b. If a reserve pilot whose reserve day(s) have been removed for Association business is changed to sick leave for any future reserve day(s), that reserve day(s) value shall be charged to sick leave for each day(s) changed from Association business to sick leave. A pilot shall not be permitted to convert his status for an R-day from Association business status to sick leave status after the beginning of that R-day.
- c. When the pilot desires to revert from sick leave status to Association business status, or to return to active flying, the MEC Chairman, or his designee (or the pilot, if returning to active flying), shall notify the System Chief Pilot, or his designee, in writing of the affected pilot's intentions. If the pilot has been removed from a remaining trip(s) or reserve day(s) during that bid period for Association business, he will return to Association business status at the end of the sick leave.
- d. A trip(s) or R-day(s) removed for sick leave will not be billed to the Association.

B. Compensation and Benefits

1. Compensation for Full Bid Period Removals, and ALPA/IFALPA Officers

- a. A pilot removed from flying for an entire bid period shall be compensated by the Company for the number of credit hours of his awarded line, BLG or RLG, for that bid period, including carryover, if any, and including hourly rate override, if applicable.
- b. Notwithstanding Section 18.B.1.a., during their terms of office, the MEC Chairman, Vice-Chairman, and Secretary-Treasurer shall not bid lines in their respective aircraft and seat position. They shall be compensated at the pay rate of their seat position and longevity, based on the number of CH established by the MEC. The MEC shall advise the Company each year by the end of the November bid period as to the monthly credit hours for each Officer for the following year. In no event shall this CH number for the new year be greater than the average of the highest lines with carryover in the Officer's crew position for the current calendar year (the cap for the upcoming calendar year shall be derived from the average of the highest line with carryover, in the bid periods of January through December of the current year, in the Officer's current domicile, aircraft and seat).
 - i. During bid periods where Officers have scheduled vacation, the Association's reimbursements to the Company shall be reduced by the value of the scheduled vacation (i.e., the number of days of awarded vacation for that bid period times 6 credit hours per day).
 - ii. An Officer who is projected to be unable to perform his Association duties, for the remainder of the bid period, due to illness or injury, shall, upon notification to the Company, have the Association business status, as described in this paragraph, cancelled. The remainder of that bid period, if any, shall be prorated, and any subsequent periods bid in a "pay only" status shall be compensated the BLG or RLG of his pay only line and his sick leave account(s) shall be reduced by the same amount.
 - iii. With 30 days written notice to the Company, the Association may elect to process trip removals for an MEC officer(s) as provided in Section 18.A.2.a., rather than as provided in Section 18.B.1.b.

- c. Notwithstanding Section 18.B.1.a., during their terms of office, pilots elected to function as a national officer of the Association or IFALPA, or appointed to national Association or IFALPA offices, shall not bid lines in their respective aircraft and seat position. They shall be compensated at the pay rate and the number of CH established in accordance with ALPA/IFALPA Constitution and By-laws and policies.
- 2. A pilot removed from flying for less than an entire bid period shall be protected by the Company from loss of compensation as follows:
 - a. A line holder shall be compensated for the scheduled credit hours of the trip(s) from which he is removed, including hourly rate override, if applicable, but excluding per diem.
 - b. A reserve line holder shall be compensated a reserve day value for each day of scheduled reserve availability from which he was removed during the month.
 - c. A regular, secondary or reserve line shall be adjusted for conflicts for a carryover trip or a carryover reserve day(s).
- 3. Subject to the provisions of Section 23, a pilot removed from flying for Association business shall continue to receive, earn, accrue and remain eligible for all benefits of employment, including seniority and longevity accrual, sick leave and vacation, as if he had not been removed.
- 4. A pilot removed from flying for Association business shall be eligible for an award on a vacancy bid posting(s) during the period of his removal.
 - a. A pilot on Association business status pursuant to Section 18.A.1., (above), shall not be awarded a crew position on postings that occur while he is on such status. However, he shall be eligible for passover pay, in accordance with Section 24.D.2., as if he had been awarded the crew position(s) he would have held, based upon his seniority and standing bid. His crew position upon his return to duty shall be determined as follows:
 - i. If no crew position award(s) occurred during his absence, the pilot shall return to his current crew position. If, however, he was awarded a crew position from a posting prior to the commencement of his Association business status, he shall return to and, if applicable, be trained for that crew position. If that crew position was at an FDA location, however, the Company may cancel the award if the pilot is not anticipated to be available for the full FDA period.
 - ii. If a crew position award(s) occurred during his absence, the pilot shall return to the crew position he would have held had he not been on Association business status, as determined by his seniority and his standing bid, as of the end of his Association business status.
 - iii. If a pilot returning from Association business status requires training, it shall commence no later than 30 days following his return date.
 - b. Pilots on Association business pursuant to Section 18.A.3. who will not be available for the assigned training associated with a vacancy bid award, shall be offered a subsequent training date(s) associated with that crew position posting. If no date is acceptable to the pilot, he shall be released from his newly awarded crew position. Any change in training dates pursuant to this paragraph will not result in passover pay for a pilot(s). If the crew position was at an FDA location, however, the Company may

cancel the award if the pilot is not anticipated to be available for the full FDA period.

C. ALPA Flight Pay Loss Bank and Reimbursement of Compensation

1. On January 1 of each year, the Company shall deposit 2,000 CH into an "ALPA Flight Pay Loss Bank." Additionally, on the effective date of the Agreement, the Company shall deposit 167 CH for each calendar month, or portion thereof, remaining in the current calendar year.
2. The Company shall bill the Association on a monthly basis for 95% of the compensation paid to pilots on Association business for trips or R-days missed, excluding trips dropped as a result of vacation pursuant to Section 18.A.5., or sick leave pursuant to Section 18.A.6. In addition, the Company shall bill the Association an override of 20% of the amount invoiced pursuant to this paragraph for ordinary compensation related costs incurred by the Company for items such as payroll taxes and the costs of benefits.
3. The Association shall not be billed for the compensation paid during the training of the initial two Association members of the TRB and one initial Association member of the Event Review Committee.
4. Invoices shall be submitted to the MEC Secretary-Treasurer, or his designee, and shall include pilot name, employee number, domicile, trip or reserve day dates (as applicable), pairing numbers (if applicable), and compensation paid.
5. Within 45 days following the MEC Secretary-Treasurer's receipt of an invoice, the Association shall remit the amount due to the Company official designated to receive those payments, provided that the MEC may, at its discretion, use the CH in the ALPA Flight Pay Loss Bank for reimbursements owed to the Company other than MEC Officers, the Grievance Committee, Strategic Preparedness activities, and activities related to Section 6 negotiations. Exhaustion of the ALPA Flight Pay Loss Bank will not be the basis for refusing to meet with the Company.

D. Currency Requirements

1. Any pilot removed from flying for Association business shall maintain currency unless unable to do so for reasons not related to Association business leave provided, however, that MEC officers and pilots elected to function as a national officer of the Association or IFALPA, or appointed to national Association or IFALPA offices may elect not to maintain currency.
2. A pilot removed for an entire bid period for Association business shall be permitted, during that same bid period, to bump a pilot(s) in his seat and equipment type to maintain currency, in accordance with Section 25.L.10.

E. Association Fly Back ("AFB" Pay Code)

1. During any bid period in which a pilot is removed from flying to participate in Association business on a full- or part-time basis such pilot may request an assignment from open time as AFB.
2. The pilot shall be paid per diem and, if applicable, international override when operating an AFB trip(s).
3. The number of hours of compensation to which the Company is entitled to reimbursement pursuant to Section 18.C., due to a pilot's removal from flying

for Association business shall be reduced on an hour-for-hour basis by that pilot's AFB credit. In the event a pilot's AFB credit exceeds the hours of his compensation to which the Company is entitled to reimbursement pursuant to Section 18.C. (above), the pilot shall be compensated for the excess AFB credit hours (by submission of a pay log). If a pilot is removed from an AFB trip prior to block out due to sick leave, he shall not earn any CH for that trip and no deduction shall be made from his sick leave account.

4. Invoices submitted to the Association pursuant to Section 18.C. (above), shall state for each AFB trip the pilot's name, employee number, domicile, trip, pairing number and the amount of compensation offset by the AFB trip.

SECTION 19

INVESTIGATION AND DISCIPLINE

A. Preliminary Matters

1. Discipline is defined as Letters of Warning, Suspensions, Terminations and any other action taken by flight management resulting in a loss of pay or benefits to which the pilot would otherwise be entitled.
2. Counseling sessions and Advisory Letters do not constitute disciplinary action and may not be grieved. An Advisory letter is a non-disciplinary form letter issued to a pilot to communicate policy, procedures or work rules, which if violated in the future, could lead to discipline. Documentations of verbal counseling issued prior to the effective date of this Agreement shall be treated as Advisory letters.

Intent Advisory letters serve two purposes: In cases where there is some question as to whether the pilot knew the policy, procedure or work rules, the Advisory letter can be used to communicate the rules to that particular pilot.

3. Standard for Discipline
 - a. The discipline standard for non-probationary pilots shall be "just cause."
 - b. Probationary pilots shall be considered to be employed on an "at will" basis for purposes of administering and reviewing discipline.

B. Documentation

1. The Company shall provide a pilot with a copy of any written record of disciplinary action or advisory letter within 10 days after that record is placed in his personnel file.
2. A pilot shall have 60 days from the date on which the written record is received or reasonably should have been received, to place a written response concerning that action in his personnel file.
3. A pilot may examine his personnel file on any business day during normal business hours with adequate notice to his Chief Pilot.

C. Consideration of Prior Disciplinary Action

A letter of warning or suspension shall not serve as a basis for discipline after a period of 1 year during which the pilot receives no further letters. However, the letter may be considered in assessing future discipline involving similar misconduct for up to 2 years after the receipt of the most recent letter of warning. This paragraph does not apply to Last Chance Letters during their effective period as described in Section 19.E.2.d.

D. Investigation Process

1. The Company shall investigate and understand a pilot's performance and conduct before taking any disciplinary action against that pilot. Part of a proper investigation may include management talking or meeting with a pilot or group of pilots to determine the facts and circumstances surrounding a situation. Depending on the circumstances of the particular case, some or all of the necessary fact gathering may occur prior to or without the need for a hearing of

any type. A pilot may request Association representation at a Company investigatory interview/meeting that may reasonably result in discipline. When a pilot makes such a request, the Company shall either:

- a. afford the pilot the opportunity to secure Association representation before initiating or continuing the interview/meeting;
 - b. refrain from or discontinue the interview/meeting immediately; or
 - c. offer the pilot the choice of either continuing the interview/meeting without Association representation or having no interview/meeting with the pilot before a decision is made on proceeding.
2. Under no circumstances shall flight management require a pilot to submit to a psychological or psychiatric examination. However, a pilot may be required to undergo a psychological/psychiatric examination if directed by the Company's aeromedical advisors, in accordance with Section 15.
 3. If a pilot is removed from flying during an investigation, prior to any disciplinary action being taken, his access to Company communications systems (e.g., e-mail, VIPS, etc.) shall not be restricted or eliminated, and he shall continue to accrue all pay and benefits (e.g., seniority, longevity, retirement, vacation, sick leave), as if he had not been held out of service. During an investigation, if a pilot's use of Company jumpseats has been restricted by the Company, the Company shall provide him with travel to and from the disciplinary hearing, if necessary.
 4. The Association has the right to have a representative present at any disciplinary hearing. The Association shall be given notice prior to any disciplinary hearing in accordance with Section 19.F.5.

E. Administration of Discipline

A pilot shall not be disciplined without first being afforded the opportunity for a hearing.

1. Hearing
 - a. Notice of Hearing
 - i. The Company shall send the pilot and the Association a Notice of Hearing setting forth the date, time and place of the hearing, together with a statement of facts and specific subject matter(s) to be addressed. The Notice of Hearing shall be sent to the Pilot and Association a reasonable amount of time prior to the hearing considering the time needed to prepare as well as the interest in concluding the matter without undue delay.

Intent: The following example applies to Section 19.E.1.

Example:

The Company believes a pilot may have falsified his employment materials by significantly overstating his flight hours and by indicating that he had never received any discipline from a former employer. The following notice would satisfy this paragraph: "You are directed to attend a hearing on April 2 at 10:00 in my office. It has been alleged that you may have falsified your employment materials. If true, these allegations could warrant discipline."

- ii. Accompanying the Notice of Hearing, the Company shall attach the relevant document(s), excluding witness statements and notes, which prompted the flight manager to send the original notice of hearing.
 - b. The hearing shall be conducted by a Regional Chief Pilot or an Assistant Chief Pilot. A written decision shall be issued within 15 days following the close of the hearing. If the decision is to discipline the pilot, the decision shall state the discipline and specific grounds for that discipline.
 - c. After an initial discussion in which the Company may ask questions and receive answers from the pilot, if requested by the pilot or the Association, the Company shall produce documentary information (including written witness statements and information in electronic format), known and in its possession, but excluding notes except to the extent that the notes contain information from fact or expert witnesses, and names of witnesses excluding confidential witnesses. Disputes whether a witness shall be considered confidential shall be resolved by referring the issue to the arbitrator hearing the underlying case, or an arbitrator selected from the panel of arbitrators by mutual agreement. The parties shall present the issue to the arbitrator so that the System Board hearing on the underlying dispute is not delayed. Information provided along with the Notice of Hearing, as provided in Section 19.E.1.a.ii., need not be reproduced under this paragraph.
 - d. The pilot shall be afforded the opportunity to respond to information described in Section 19.E.1.c. (above) before a decision is rendered. If necessary, the hearing shall be delayed or continued in order to provide the pilot with adequate time to prepare and/or respond. The Company shall be able to continue to investigate the circumstances of a particular case and to gather additional documentation after the close of the hearing.
 - e. If a pilot is unavailable due to his arrest and detainment by government officials, the Company shall notify the Association, and shall take reasonable steps to notify the pilot of the hearing and to accommodate his participation to the extent permitted under the circumstances. After those prerequisites have been met, the pilot's unavailability shall not prevent the Company from conducting a hearing regarding the pilot.
2. Internal Appeal
- a. If the decision is to terminate the pilot, the case shall automatically be appealed to the Vice President, Flight Operations. The appeal hearing shall be conducted by the Vice President, or his designee, within 15 days after the decision to terminate the pilot.
 - b. If the decision imposes discipline less than termination, the pilot or the Association may appeal the decision to the System Chief Pilot. Appeals shall be in writing and shall be filed within 15 days after the pilot receives notice of the decision. The appeal hearing shall be conducted by the System Chief Pilot, or his designee, within 15 days after his receipt of the appeal.
 - c. The hearing officer for the appeal shall be different from the hearing officer for the initial hearing.
 - d. After an initial discussion in which the Company may ask questions and receive answers from the pilot, if requested by the pilot or the Association, the Company shall produce documentary information (including written witness statements and information in electronic form but excluding notes maintained by management personnel) gathered since the close of the hearing.
 - e. Last Chance Letters

- i. After the appeal hearing, the Vice President, Flight Operations may offer a terminated pilot a last chance letter as a basis for reinstatement. The maximum duration of a last chance letter is 2 years.
- ii. If the pilot rejects the last chance letter, he shall remain terminated and he may appeal to the System Board of Adjustment as provided in Section 21. The fact that the Company offered a last chance letter shall not be admissible, and shall not be referred to, at the System Board of Adjustment.
- iii. If the pilot accepts the last chance letter, he shall be bound by the terms stated therein, none of which shall extend beyond the maximum duration.
- iv. After a pilot has served the term of his last chance letter, its use in subsequent proceedings shall be limited as provided in Section 19.C. (Consideration of Prior Disciplinary Action), in the same manner as other disciplinary events.
- v. Last chance letters, whether accepted or rejected, shall be non-precedential, and shall be inadmissible and non-referable in disciplinary proceedings involving any other pilot(s).
- f. The hearing officer shall issue a written decision within 15 days following the close of the hearing. If the decision is to discipline the pilot, the decision shall state the discipline and specific grounds for that discipline. If the hearing officer fails to issue a written decision in a timely manner, the pilot and/or Association shall not be deemed to have waived any arguments to the System Board regarding any claim for relief based on the untimely decision. Nothing in this paragraph diminishes the Company's obligation to issue a timely decision.

3. Appeal To System Board of Adjustment

If the pilot disagrees with the decision at the internal appeal level, the pilot may appeal the decision, through the Association, to the System Board of Adjustment as described in Section 21. The appeal shall be in writing and shall be made within 15 days following the date on which the pilot received notice of the decision. Copies of the appeal shall be sent to the Association and the designated Company officials.

F. General

1. If, as a result of any hearing or appeal, the original discipline imposed on a pilot is reduced or rescinded, the pilot's pay, benefits, seniority and longevity shall be restored consistent with the hearing officer's decision, and the pilot's file shall reflect such resolution.
2. Time limits and hearing/appeal dates may be modified, orally or in writing, by agreement of the parties. Oral agreements shall be confirmed in writing as soon as practicable. Requests for modifications shall not be unreasonably denied.
3. For the purpose of computing the time limits stated herein, an appeal shall be deemed "filed," and a decision shall be deemed "issued," on the day in which the appeal or decision is postmarked, or if Federal Express is used, on the day in which the appeal or decision is submitted to the Company for shipment.
4. For the purpose of Section 19, the term "day" means calendar day. However, if the last day of a time limit falls on a weekend, or on a Corporate or ALPA Holiday (currently including New Year's Day, Martin Luther King, Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Thanksgiving Day and the following Friday, Christmas, or the day on which such

holiday is observed by the Company or ALPA), the time limit shall be extended through the first business day following the weekend or holiday. The parties shall advise each other expeditiously of any changes to ALPA or Corporate holidays.

5. Delivery of all notices, advisory letters, decisions and appeals pursuant to Section 19 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. Such correspondence shall be sent to a pilot's bid pack mailing address, or other address as the pilot may designate. Such correspondence shall also be sent to the MEC Representation Department and the MEC Grievance Committee Chairman.
6. If the first attempted delivery of a notice is unsuccessful, the Company shall send a second notice to the same address. The second notice shall be sent by two methods, one of which shall be first class mail. A pilot shall be deemed to have received notice upon the earlier of the pilot's actual receipt of notice or 20 days after postmark of the second notice.
7. Every participant in disciplinary proceedings shall be free to discharge his duty without fear of retaliation by the Association or the Company. No participant shall be coerced or harassed by the Association or the Company.
8. Copies of tape recordings or other transcriptions made at any meeting conducted pursuant to this Section shall be provided to all parties, upon request, without undue delay, after it has been finalized. Failure to respond to a request without undue delay shall render that tape or transcript inadmissible until the requesting party has had sufficient time to review the tape or transcript.
9. Grievants and a reasonable number of witnesses and Association representatives involved in the resolution of disputes pursuant to Section 19 may be released from Company duty, if necessary, as provided in Section 18 of this Agreement. Expenses and flight pay loss, if any, for line pilot witnesses called by any party, shall be borne by the party who called the witness or otherwise incurred the expense.
10. Nothing in this Section shall be construed so as to waive or limit any privilege, provided under applicable law, that would protect information from disclosure, including the attorney-client privilege.

SECTION 20

GRIEVANCES: ADMINISTRATIVE

Definitions:

1. File/Issue

A document shall be deemed "filed" or "issued," as applicable, on the day in which the document is postmarked, or if Federal Express is used, on the day in which the document is submitted to the Company for shipment.

A. Application

Section 20 applies to grievances, which are defined as disputes growing out of the interpretation or application of agreements between the parties hereto concerning rates of pay, rules or working conditions. Any pilot, group of pilots covered by this Agreement or the Association on behalf of such pilot(s) who has a grievance concerning any action of the Company affecting the pilot(s), except matters involving discipline, shall have such grievance handled in accordance with the following procedures, provided that such grievance is properly and timely filed in the manner set forth below.

B. Filing of Grievance

1. A grievance under Section 20 shall be filed in writing with the Vice President, Flight Operations, within 60 days following the date on which the pilot acquired knowledge, or reasonably should have acquired knowledge, of the fact(s) or event(s) giving rise to the grievance. The 60-day filing period for a grievance shall be extended to 90 days in cases where there is written evidence within the 60-day period that a pilot (or the Association on behalf of a pilot) notified either FedEx Contract Administration or a member of flight management of the underlying issue in an attempt to resolve the matter within the 60 day filing period. A grievance shall contain a statement of the facts and circumstances from which it arises, a citation to the provision(s) of the agreement that has allegedly been violated and the relief or remedy requested.
2. Notwithstanding the time limitation in Section 20.B.1. (above); grievances arising out of clerical or bookkeeping errors may be filed outside the 60 day period provided that they:
 - a. do not involve a dispute of the Company's interpretation or application of agreements between the parties hereto; and
 - b. can be definitively resolved by reference to Company records.
3. The Company may take corrective action at any time upon the discovery of clerical or bookkeeping errors, and the pilot shall be given notice of such change.
4. Copies of grievances shall be provided to the Association, and the designated Company officials.

C. Discovery

In response to a request by the other party for specific information, and if known and directly relevant to a grievance, a party shall produce names of witnesses and documentary information (including information in electronic format) but excluding notes except to the extent that the notes contain information from fact or expert witnesses. The party shall produce such information as soon as practicable. If necessary, the grievance hearing shall be delayed or continued in order to provide the parties with adequate time to prepare and/or respond. This paragraph shall not be construed to waive any privilege, provided under applicable law, that would protect the information from disclosure, including the attorney-client privilege.

D. Hearing with Vice President

1. Within 15 days following receipt of a grievance, the Vice President, Flight Operations, or his designee, shall conduct a hearing to establish the facts of the case and, if possible, to resolve the dispute.
2. A pilot shall be entitled to Association representation, or the pilot may elect to be represented by another pilot, at any hearing conducted under Section 20.
3. The Association has the right to be present during any hearing conducted under Section 20.
4. The hearing may be conducted telephonically if mutually agreeable to the grievant(s), the Association and the Vice President, Flight Operations, or his designee. Within 15 days after the close of the hearing, the Vice President, Flight Operations, or his designee, shall issue his decision in writing to the signatory of the grievance, with a copy to the named grievant(s), the FedEx MEC Representation Department and the designated Company officials. If the FedEx MEC Grievance Chairman is not the signatory of the grievance, then a copy shall be distributed to the Grievance Chairman as well.

E. Appeal of Decision

If the decision of the Vice President, Flight Operations, or his designee, is not satisfactory to the pilot or the Association, such decision may be appealed by the Association to the System Board in the manner set forth in Section 21. Such appeal shall be in writing and shall be filed within 15 days following the date on which the signatory of the grievance received the decision. Copies of the appeal shall be sent to the FedEx MEC Grievance Committee Chairman, and the designated Company officials.

F. General

1. Time Limits

- a. Time limits and meeting dates set forth in this Section may be modified, orally or in writing, by mutual agreement of the parties. Oral agreements shall be confirmed in writing as soon as practicable. Requests for modifications shall not be unreasonably denied.
- b. When any hearing or appeal afforded a pilot(s) by this Section is not requested within the respective time limits prescribed herein, including any extension mutually agreed upon, the decision of the Company shall be final and binding.
- c. If the Company fails to schedule or conduct a hearing in a timely manner, or to issue a timely decision as required by this Section, the grievance shall

be deemed denied on the deadline for the hearing or decision, provided, however, that:

- i. the Company's obligations under Section 20.D.1. or D.4. shall not be diminished by this provision; and
 - ii. the Association shall not be deemed to have waived any arguments to the System Board regarding any claim for relief based on the untimely hearing or decision.
2. For purposes of Section 20, the term "day" means calendar day. However, if the last day of a time limit falls on a weekend, or on a Corporate or ALPA Holiday (currently including New Year's Day, Martin Luther King, Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Thanksgiving Day and the following Friday, Christmas, or the day on which such holiday is observed by the Company or ALPA), the time limit shall be extended through the first business day following the weekend or holiday. The parties shall inform each other expeditiously of any changes in Corporate or ALPA holidays.
3. Delivery of all notices, appeals, and discovery requests and responses pursuant to this Section shall be made by Federal Express Overnight Letter, by certified mail, return receipt requested, in person or by other methods which provide verification of receipt. Company decisions shall be issued by FedEx Overnight Letter. Such correspondence shall be sent in the same manner to the FedEx MEC Representation Department, and to the FedEx MEC Grievance Committee Chairman.
4. The release from Company duty of the grievant(s) and a reasonable number of witnesses and Association representative(s) involved in the resolution of disputes pursuant to Section 20 shall be as provided in Section 18 of this Agreement. Expenses and flight pay loss, if any, for line pilot witnesses called by any party, shall be borne by the party who called the witness or otherwise incurred the expense. Pilots participating as a witness or representative in a Section 20 hearing shall be authorized round trip business jumpseat status to prepare for and attend such hearing.
5. If the first attempted delivery of a notice is unsuccessful, the Company shall send a second notice to the same address. The second notice shall be sent by two methods, one of which shall be first class mail. A pilot shall be deemed to have received notice upon the earlier of the pilot's actual receipt of notice or 20 days after postmark of the second notice.

SECTION 21

SYSTEM BOARD OF ADJUSTMENT

Definitions:

1. File/Issue

A document shall be deemed "filed" or "issued," as applicable, on the day in which the document is postmarked, or if Federal Express is used, on the day in which the document is submitted to the Company for shipment.

2. Case in Chief

The evidence presented by a party in the primary presentation of its case. The term does not include evidence used on cross examination or in rebuttal.

As provided in Section 204, Title II of the Railway Labor Act, a System Board of Adjustment is established for the purpose of adjusting and deciding grievances which arise under the terms of this Agreement and have been processed under Section 19 or Section 20 of this Agreement which are properly brought before it in a timely fashion. The System Board of Adjustment shall be known as the Federal Express Pilots' System Board of Adjustment (hereinafter referred to as "the System Board").

A. Jurisdiction

1. The disciplinary System Board shall have jurisdiction over disputes between a pilot(s) or the Association and the Company growing out of grievances, or out of the interpretation or application of any of the terms of the Agreement, which are processed under Section 19 of this Agreement and which are submitted to the System Board as provided in Section 21.B. A neutral arbitrator from the disciplinary panel shall hear such disputes as the sole member of the Board unless either party elects to proceed before a 3-person board. Any such election must be made at least 45 days prior to the System Board proceeding.
2. The non-disciplinary System Board shall have jurisdiction over disputes between a pilot(s) or the Association and the Company growing out of grievances, or out of the interpretation or application of any of the terms of the Agreement, which have been processed under Section 20, and which have been submitted to the System Board as provided in Section 21.B. Such disputes shall be heard by a 3-person System Board unless either party elects to proceed before a 5-person System Board. Any such election must be made at least 45 days prior to the System Board proceeding.
3. Retirement and Benefit disputes which are referred to the Pilot Benefit Review Board, as provided in Sections 27 and 28, are handled as set forth in those Sections.
4. The jurisdiction of the System Boards shall not extend to proposed changes in hours of employment, rates of pay or working conditions covered by agreements between the parties in existence at the time the System Board decision is rendered.

B. Submissions to the System Board

1. At least 60 days prior to a System Board proceeding, the Company and the Association shall confer and designate the case(s) to be heard during that

session. Copies of the appeal(s) for the case(s) designated to be heard shall be promptly provided to the neutral member. If the parties cannot agree, the oldest case(s) shall be selected first, except that under the disciplinary System Board, termination cases shall take precedence over non-termination cases.

2. Disputes shall be appealed to the System Board by filing an Appeal with the System Board Chairman as provided herein.
 3. Appeals to the System Board shall contain the following:
 - a. Statement of facts and circumstances.
 - b. A citation to the portions of this and/or related Agreements which gave rise to the Grievance.
 - c. A statement of the issue(s) and/or questions to be decided.
 - d. Position of the party submitting the appeal.
 - e. Position of the other party or parties.
 - f. The relief sought (optional).
 4. Copies of appeals shall be sent to the FedEx MEC Grievance Committee Chairman, the FedEx MEC Representation Department, and the designated Company officials.
 5. If any party disagrees with the statement of its position contained in an appeal filed by another party, the objecting party may submit its own statement to the System Board and all other parties.
 6. Pre-hearing briefs may be submitted only to the System Boards by agreement of the parties, or by order of the arbitrator.
- C. System Board Composition and Proceedings
1. Composition
 - a. The Company and the Association, when applicable, shall each appoint an equal number of members to serve on the System Board. Such members shall be employees of the Company or regular employees of the Association. The neutral member of the System Board shall be the arbitrator.
 - b. Each member of the System Board shall have one vote.
 2. Proceedings before the System Board
 - a. System Board proceedings shall take place in person, unless all parties agree to conduct the hearing telephonically.
 - b. Disputes between pilots or the Association and the Company which are processed under Section 19 of this Agreement and which are submitted to the System Board as provided in Section 21.B., may be consolidated by mutual agreement of the Company and the Association.

D. Arbitration

1. The 3-person System Board, when elected by one of the parties for disciplinary cases, shall hear disputes submitted under Section 19 of this Agreement. Otherwise, the neutral member shall decide disciplinary cases alone. The non-disciplinary System Board shall hear disputes submitted under Section 20 of this Agreement.
2. Each member of the System Board shall have one vote. If one member of a 5 person System Board is absent, he may give his proxy to another member. Proxies must be in writing.
 - a. The System Board may not reach a decision without a vote by all members. No member may refuse to vote in order to prevent a decision from being rendered.
 - b. If the System Board reaches a decision by majority vote, that decision shall be final and binding on all parties and the System Board shall issue a written decision within 30 days after the vote.
3. The neutral member shall serve as the chairman of the System Board and shall preside at all hearings of the System Board.
4. 15 Day Evidentiary Exchange
Each party shall exchange all documents they intend to enter in their case in chief, in support of their respective positions, and make available, in writing, the names of all witnesses they intend to summon whom they deem necessary to the dispute 15 days prior to the date set for the hearing. Nothing herein shall require the parties to present the aforementioned documents or summon the aforementioned witnesses during the course of the hearing. The parties shall not be restricted from entering documents or summoning witnesses who become known subsequent to the 15 day exchange, provided timely notice is given to the opposing party.

E. Panels of Arbitrators

1. The Association and the Company shall maintain 2 separate panels of 6 arbitrators each: one with arbitrators for disciplinary cases and the other with arbitrators for non-disciplinary cases.
2. Impaneling of Arbitrators
 - a. At least 180 days prior to the amendable date, the Association and the Company shall meet to determine whether to retain either of the current panels of arbitrators. If either of the parties decides to replace a panel(s), the parties shall simultaneously exchange a list of 15 arbitrators for each panel to be replaced. An incumbent arbitrator(s) on a panel that is being re-selected may be submitted on a party's 15 arbitrator list.
 - b. Within thirty days following the exchange, the parties shall meet in order to select the subsequent panel(s) of arbitrators.
 - c. The selection of arbitrators shall be accomplished as follows:
 - i. If an arbitrator(s) appeared on both exchanged lists described in Section 21.E.2.a., such arbitrator(s) shall be accepted as a member of the respective panel. If the panel is not complete, then;

- ii. the parties shall examine each other's lists and determine whether there are any arbitrators on the other party's list that are acceptable to both parties. Any such arbitrator(s) shall be accepted as a member of the respective panel. If the panel is not complete, then;
 - iii. within 15 days following the meeting, the parties shall simultaneously exchange a second list, containing 7 different arbitrators, and repeat the process described in Section 21.E.2.b., and E.2.c.i., and E.2.c.ii. If a panel still is not complete, then;
 - (a) the parties shall jointly request the NMB to provide a single list containing 7 arbitrators for each remaining vacancy on that panel (e.g., a list of 14 arbitrators to fill 2 vacancies on a panel).
 - (b) following receipt of the list(s), the parties shall examine the list(s) and determine whether any arbitrators are acceptable to both parties. Any such arbitrator(s) shall be accepted as a member of the respective panel. If the panel still is not complete, then;
 - (c) any remaining vacancies shall be filled using the alternate strike method based on the list(s) provided by NMB. A coin toss shall determine which party has the first strike. If the alternative strike method is necessary for both panels, then the party losing the coin toss regarding the administrative panel shall have the first strike on the disciplinary panel.
- 3. Vacancies on a Panel of Arbitrators
 - a. Should vacancies occur on either panel of neutral members, other than by operation of Section 21.E.5., the parties shall attempt to agree on a replacement within 30 days after the vacancy occurs. If the parties are unable to agree on a replacement, the vacancy shall remain unfilled.
 - b. If there are too few arbitrators to hear scheduled arbitrations, the parties may select an arbitrator to hear a scheduled arbitration on an ad hoc basis. This arbitrator shall be selected by the alternate strike method from a list of 7 arbitrators provided by the National Mediation Board. A coin toss shall determine which party has the first strike.
- 4. Scheduling of Neutral Members of the System Boards
 - a. In September of each year the Company and the Association shall schedule mutually agreeable dates on which the neutral members of the System Boards shall conduct System Board proceedings during the following calendar year. The slotting of neutral members into the scheduled dates shall be done by mutual agreement. If by September 20 of each year, the parties have been unable to agree upon such slotting, then on the first business day thereafter, the parties shall meet to determine such slotting by drawing the panel members' names (first draw determined by coin toss) and slotting them in the order drawn.
 - b. If necessary, additional dates for System Board proceedings will be scheduled by mutual agreement of the Company and the Association.

5. Removal of Neutral
 - a. Bilateral

The Association and the Company may, by mutual agreement, remove an arbitrator from a panel(s). Within 30 days after the arbitrator's removal, the parties shall meet to determine whether the vacancy should be filled or left vacant. If either party wishes to fill the vacancy, then the following shall apply:

 - i. The Association and the Company shall simultaneously exchange a list of 7 arbitrators within 10 days after the removal.
 - ii. Thirty days following the exchange, the Association and the Company shall meet in order to select the arbitrator. The selection of the arbitrator shall be accomplished as follows:
 - a. If a single arbitrator appeared on both exchanged lists, such arbitrator shall be accepted as a member of the panel.
 - b. If more than one arbitrator appeared on both exchanged lists, the replacement arbitrator shall be selected by an alternative strike method among the arbitrators appearing on both lists, with a coin toss to determine which party has the first strike.
 - c. If no arbitrator appeared on both lists, the parties shall determine whether either party is willing to accept an arbitrator from the other party's list. If a mutually acceptable arbitrator is found, such arbitrator shall be impaneled. If not, then the parties shall use the process described in Section 21.E.2.c.iii.(a)-(c) to fill the vacancy.
 - b. Unilateral

Each party shall have the opportunity to remove a total of three arbitrators during the term of the Agreement, but no more than one in any period of 12 months. A party exercising a unilateral removal shall inform the other party, in writing, of its removal.

 - i. The arbitrator shall be considered removed as of the date of the notice of removal, provided, however, that a System Board for which an appeal has been filed shall continue to retain jurisdiction over the dispute(s).
 - ii. If the removed arbitrator originally appeared on both parties' list, then his replacement shall be accomplished as provided in Section 21.E.5.a.i., and ii.
 - iii. If the removed arbitrator originally appeared only on one party's list, then, within 30 days following the removal, that party shall submit a list of 7 arbitrators. Within 15 days following receipt of the list, the parties shall determine whether there is a mutually acceptable arbitrator. If not, then the parties shall use the process described in Section 21.E.2.c.iii.(a)-(c) to fill the vacancy.
6. Unless otherwise agreed, all arbitrators, whether on lists submitted by the parties or obtained from the NMB, shall be members of the National Academy of Arbitrators experienced in airline arbitrations.

F. General Provisions

1. Time limits and meeting dates may be modified, orally or in writing, by mutual agreement of the parties. Oral agreements shall be confirmed in writing as soon as practicable. Requests for modifications shall not be unreasonably denied. When any appeal to the System Board is not requested within the respective time limits prescribed herein, including any extension mutually agreed upon, the decision of the Company shall be final and binding.
2. For purposes of Section 21, the term "day" means calendar day. However, if the last day of a time limit falls on a weekend, or on a Corporate or ALPA Holiday (currently including New Year's Day, Martin Luther King, Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Thanksgiving Day and the following Friday, Christmas, or the day on which such holiday is observed by the Company or ALPA), the time limit shall be extended through the first business day following the weekend or holiday. The parties shall inform each other expeditiously of any changes in Corporate or ALPA holidays.
3. The Association, the Company and, if applicable, the individual grievant pilot are parties to all System Board proceedings.
4. Every participant in System Board proceedings shall be free to discharge his duty without fear of retaliation by the Association or the Company. No participant shall be coerced or harassed by the Association or the Company.
5. The reasonable expenses and fees of neutral members and any line pilot witnesses summoned by the System Board, and the cost of facilities selected for System Board proceedings shall be borne equally by the Company and the Association. A party may order a transcript or other record of a System Board proceeding. A copy of such record shall be made available to a party upon request, provided the requesting party agrees to pay a pro-rata share of the cost of making such record. All other costs associated with System Board proceedings, including, but not limited to, expenses and, if applicable, flight pay loss for line pilot witnesses called by any party, shall be borne by the party who called the witness or otherwise incurred the expense.
6. If applicable, a schedule for submission of post-hearing briefs shall be established immediately prior to the close of the hearing.
7. Proceedings of the System Board shall be conducted at locations selected by agreement of the Company and the Association. In making such selections, the Company and the Association shall endeavor to minimize costs. In the absence of an agreement, proceedings shall be conducted in Memphis, Tennessee.
8. The grievant(s) and a reasonable number of witnesses and Association representatives involved in the resolution of disputes pursuant to this Section may be released from Company duty pursuant to the provisions of Section 18 of this Agreement. The arbitrator hearing the underlying dispute shall resolve disputes regarding whether the number of Grievants and witnesses to be released from Company duty is disruptive to Company operations. The Parties shall present the issue to the arbitrator so that the System Board hearing on the underlying dispute is not delayed by disputes regarding the number of grievants

or witnesses to be released from Company duty. Pilots participating as a witness, representative or member in a System Board proceeding shall be authorized round trip business jumpseat status to prepare for and attend such proceeding.

9. Delivery of all notices, decisions and appeals pursuant to Section 21, and any other documentation pursuant to Section 21 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. Such correspondence shall be sent to a pilot's bid pack mailing address or other address as the pilot may designate. Such correspondence shall also be sent to the FedEx MEC Representation Department, and the FedEx MEC Grievance Committee Chairman. Whenever a party sends correspondence or other documentation to an arbitrator related to a case under this Section, the other party shall be copied on such correspondence or documentation using the same delivery method by which the arbitrator was sent his copy. Correspondence by email is acceptable among System Board members unless the neutral provides otherwise.
10. If the first attempted delivery of a notice is unsuccessful, the Company shall send a second notice to the same address. The second notice shall be sent by two methods, one of which shall be first class mail. A pilot shall be deemed to have received notice upon the earlier of the pilot's actual receipt of notice or 20 days after postmark of the second notice.
11. By mutual agreement between the Company and the Association, a neutral from the disciplinary panel may hear a non-disciplinary case, and vice versa.
12. At any System Board proceeding, the Company and ALPA may be represented, respectively, by an employee or agent of the Company or a representative or agent of ALPA.

SECTION 22 SENIORITY

A. Federal Express Pilots' Master Seniority List

1. The Federal Express Pilots' Master Seniority List (referred to throughout this Agreement as the Master Seniority List), containing the name of each pilot and his relative placement on the list, shall continue to be maintained. The list will include both pilot and engineer seniority numbers. The list shall be brought up to date as of July 1 of each year and will be distributed within 30 days thereafter. The effective date shall appear on the list.
2. The seniority of a pilot employed on or after the effective date of this Agreement shall accrue from his date of hire. When 2 or more pilots have the same date of hire, those pilots shall be placed on the Master Seniority List in order of the last four digits of their social security numbers with the pilot having the highest last four digits of his social security number receiving the more senior placement on the list. If 2 or more pilots have the same date of hire and have the same last four social security digits, their relative placement on the Master Seniority List shall be determined by drawing lots.

B. Seniority Accrual and Application

1. A pilot who has established seniority shall not lose his seniority except that a pilot shall forfeit all employment and seniority rights and his name shall be removed from the Master Seniority List under the following conditions:
 - a. Retirement.
 - b. Resignation.
 - c. Termination for just cause pursuant to Section 19, 20, and 21.
 - i. The seniority list will include a terminated pilot's name until his termination is final, inclusive of System Board proceedings, if any. A terminated pilot's inclusion on the seniority list does not confer any rights of employment whatsoever.
 - ii. Section 20 is included because terminations that result from the application of Section 11 (Training) due to training failures give rise to contractual as opposed to disciplinary grievances.
 - d. Failing to return to a flying position upon recall pursuant to the provisions of Section 23.
 - e. Failing to return to work at the expiration of a leave of absence.
 - f. Termination of probationary pilots pursuant to Section 19.A.3.b., 20 and 21. Section 20 is included because terminations that result from the application of Section 11 (Training) due to training failures give rise to contractual as opposed to disciplinary grievances.
 - g. Failing to be recalled from furlough by the Company for 7 continuous years.
 - h. Rejecting an offer of retirement under Section 23.A.2.c.

2. Except as otherwise provided in this Agreement, seniority shall govern all pilots in cases of vacancy posting awards, bid period schedule awards, vacation awards, ITU training schedules pursuant to Section 24, designation of the Pilot-in-Command/Captain of record on double crewed flight segments, and retention in case of reduction in force and recall pursuant to Section 23.

C. Resolution of Protests of Seniority List Prior to March 1, 1999

1. Disputes relating to the construction, application, implementation or interpretation of the Award styled In the Matter of the Federal Express - Flying Tigers Pilot and Flight Engineer Tri-Partite Seniority Integration Arbitration dated May 25, 1990, were resolved in the manner set forth in that Award.
2. Alleged errors in the Master Seniority List as of May 31, 1999, other than disputes covered by Section 22.C.1., arising after April 15, 1992, but before March 1, 1999, have previously been resolved in the manner set forth below and are therefore not subject to Section 20 of this Agreement:
 - a. The April 15, 1992, Master Seniority List was determined to be consistent with the Master Seniority List referred to in Section 22.C.1, and is recognized as inviolate and correct in all respects. To the extent the April 15, 1992, Master Seniority List differed from the merged Master Seniority List referenced in Section 22.C.1., those differences were the result of additions and deletions based on hires, deaths, retirements, terminations and resignations.
 - b. On March 1, 1999, the Company published and distributed an updated Master Seniority List to all pilots. The updated Master Seniority List was accompanied by a letter from both the FPA and the Company advising pilots that the attached Master Seniority List would become the official Master Seniority List and would be incorporated into the collective bargaining agreement if no appropriate challenges were made prior to March 31, 1999. Each pilot was advised that he/she could challenge an alleged error on the updated Master Seniority List, provided the challenge met the following criteria:
 - i. The challenge was presented, in writing, with a detailed explanation of the nature of the challenge to both the FPA, and the Company's Managing Director of Personnel Services and Labor Relations/AOD within 30 days following the distribution of the updated Master Seniority List, and
 - ii. The challenge did not involve alleged seniority errors arising from facts or placements occurring prior to April 15, 1992; and
 - iii. The pilot registering the challenge did not have actual or constructive notice of an alleged seniority error and the opportunity to obtain a remedy through the Guarantee of Fair Treatment Procedure, which expired on June 13, 1993; and
 - iv. The merits of the alleged error were not the subject of a judgment, settlement or other final disposition of a formal legal proceeding, or the alleged errors are not the issue in a lawsuit filed prior to the date of this letter.
 - c. The FPA and the Company then met and mutually resolved any appropriate challenges to the updated Master Seniority List. If any

changes are made to the Master Seniority List, pilots shall be advised of such changes before the effective date of this Section.

D. Protests of Master Seniority List after March 1, 1999

1. The Master Seniority List as of May 31, 1999 is considered inviolate. Challenges related to such arising from facts and circumstances occurring after March 1, 1999, however, are subject to Section 20 as follows:
 - a. Challenges relating to any subsequently published list must be filed on or before March 31 of the year in which the subsequent list is published.
 - b. An alleged error(s) on an annually updated Master Seniority List not grieved by March 31 of the year following the year in which the list is published is not grievable at any time in the future.
 - c. A pilot who is on leave of absence, vacation, sick leave or is not engaged in active employment with the Company at the time an annually updated Master Seniority List is distributed, may file a grievance concerning an alleged error on the most recently published list provided he does so before the earlier of:
 - i. 30 days following his receipt of the updated Master Seniority List; or
 - ii. 30 days following his return to active pilot employment.
 - d. The Company may correct typographical or clerical errors on the Master Seniority List any time during the year. The Company shall notify the Association in writing of any corrections.

E. Probationary Pilots

1. Pilots hired on or after the effective date of this Agreement shall be employed on a probationary basis for the first 365 days of accumulated active service as a pilot with the Company. Termination of a pilot's employment during his probationary period shall result in the removal of the pilot from the Master Seniority List, subject to the provisions of Sections 19, 20 and 21.
2. Notwithstanding the provisions of Section 22.E.1., a probationary pilot is subject to the provisions of Section 23.

SECTION 23 FURLOUGH AND RECALL

Definitions:

1. Furlough
A method for reducing the number of active pilots.

A. Furlough

1. Except as provided in Section 23.A.1.b. and A.2., if the Company determines it is necessary to reduce the number of active pilots, the Company shall furlough pilots in reverse order of system seniority as listed on the Master Seniority List. All pilots holding a seniority number at the time of furlough shall be subject to the provisions of Section 23 regardless of their employment status at that time (e.g., active flying service, leave of absence, disability, probationary pilots). Reductions in the number of pilots shall be accomplished as follows:
 - a. A pilot shall receive at least 30 calendar days notice with a copy to the Association prior to the effective date of any furlough. In the event he receives less than 30 days notice, he shall be pay protected for 30 days in lieu of that notice. No notice or pay shall be required if the furlough is the result of circumstances beyond the Company's control.
 - b. Prior to the issuance of furlough notices, the Company may offer voluntary furloughs. The Company may limit the offer to 1 or more designated crew statuses. Voluntary furloughs shall be granted in order of system seniority. The Company shall make best efforts to provide pilots at least 30 calendar days notice of the offer of voluntary furloughs, with a copy to the Association.
2. Notwithstanding the provisions of Section 23.A.1. and B.1., the following apply to a pilot subject to a regulated age restriction:
 - a. If the pilot is involuntarily excessed from his current crew position and, as a result of his restriction, he is ineligible to be awarded or assigned any other crew position, the pilot may be furloughed.
 - b. The pilot may be bypassed on recall from furlough until there is an available crew position that he is eligible to be awarded or assigned.
 - c. A restricted pilot who cannot move to or be accommodated as a second officer from another crew position because his relative seniority is less than the current population of second officers or there are no second officer crew seats, shall be offered the opportunity to retire as provided in the Agreement. Following a pilot's rejection of the offer, the pilot shall be released from employment as provided in Section 22.B.1., and shall not be considered as having been furloughed in cases where the only crew status the pilot can occupy is second officer.

3. A pilot who is on furlough shall file with the flight personnel department his current mailing address to be used in the event of recall. A pilot shall advise that department in writing of any change in his address.
4. A furloughed pilot shall retain all longevity and seniority accrued prior to furlough and shall continue to accrue longevity for a period of 3 years. A furloughed pilot shall retain and continue to accrue seniority for a period of 7 continuous years.
5. A furloughed pilot shall retain his regular and disability sick accounts in accordance with the provisions of Section 14.A.3.
6. A furloughed pilot shall be compensated for any earned and accrued vacation that is unused as of the date of furlough.
7. The continuation of a pilot's benefits beyond his furlough date shall be governed by applicable state or federal laws except that a pilot shall continue to be eligible for company related insurance programs for the period, if any, during which he is entitled to receive furlough pay as provided in Section 23.E.
8. The Company shall notify the Association in writing if it anticipates a furlough or a recall. Upon written request, the Company shall meet and consult with the Association concerning possible adjustments to provisions of this Agreement (e.g., construction of bid period schedules and reducing or eliminating volunteer and draft flying) that may avoid or mitigate the effects of a furlough.
9. A furloughed pilot shall continue to be eligible for employee reduced rate shipping privileges and Company jumpseat privileges, as provided in Section 26, for the period during which he is entitled to receive furlough pay. A furloughed pilot will continue to have access to E-mail, VIPS and IMS for the period during which he is entitled to receive furlough pay. During any period when there are pilots on furlough, the Company shall send the Association a copy of the Career Opportunities Postings, and each update. A furloughed pilot may coordinate with his last flight manager if he desires to apply for any Company positions.
10. Recall shall be offered to all pilots on furlough prior to the employment of a new hire pilot, except as provided in Section 23.A.2.b.
11. There shall be no volunteer flying in any crew status while any pilot is on furlough. The Company does not intend to rely on draft flying in order to avoid a recall.

B. Recall

1. Except as provided in Section 23. A.2., pilots, including pilots who have not completed their probationary period, shall be recalled from furlough in order of system seniority.
2. Furloughed pilots shall be notified of recall in writing (e.g., Federal Express Overnight Letter) with a copy sent to the Association. The notice shall allow the pilot at least 30 days to report for duty. The pilot shall respond in writing (e.g., Federal Express Overnight Letter) within 14 calendar days following his receipt of the recall notice, and state whether he will accept recall.
3. A pilot recalled from furlough shall be returned to the payroll on the day he resumes active employment. Prior to his activation in a crew status, the hourly rate of pay for a pilot who is recalled shall be the current hourly rate for the last crew status held by the pilot prior to his furlough; provided, however, that if that crew status no longer exists, the pilot's hourly rate of pay prior to activation shall be the hourly rate for the crew status to which the pilot has been recalled.
4. If a recalled pilot is unable to return to active flying service due to medical reasons, the following shall apply:
 - a. If the pilot was on disability at the time of furlough, his eligibility for disability benefits shall be governed by Section 27.
 - b. If the pilot was on sick leave at the time of furlough he shall not be entitled to sick leave until after he has returned to an active pay status; provided, however that if the pilot would otherwise be entitled to sick leave based on the same injury or illness that caused him to be on sick leave at the time of furlough, he may re-enter sick leave upon recall.
 - c. If the pilot was not on sick leave at the time of furlough, he shall not be entitled to sick leave until after he has returned to an active pay status.
 - d. If the pilot does not qualify for sick leave or disability, he shall be placed in a medical leave of absence.
 - e. For purposes of Section 22.B.1.d., the pilot shall be considered as having returned to a flying position.
5. A pilot may decline recall and remain on furlough if a junior pilot remains on furlough; provided, however, a pilot may not decline a recall if the Company has sent notice of recall to all furloughed pilots, and the pilot has not requested and been granted a leave of absence in accordance with Section 13.
6. Even if no junior pilot remains on furlough, a pilot may decline recall and remain on furlough for the duration of any individual contract of employment, not to exceed 24 months, to which he is a party at the time of his recall. The pilot shall provide the Company a copy of his contract of employment.
7. A pilot's election to decline recall and remain on furlough in accordance with Section 23. B.4. or B.5., shall not extend the period of 7 years referred to in Section 22. B.1.g.
8. A pilot who is recalled from furlough shall be guaranteed at least 6 bid periods of active pilot employment following recall.

C. Incentive Plan

The Company may, at its option, elect to avoid or mitigate a furlough by offering pilots or a specific group of pilots (using age or seniority, unless the Association consents to an alternate selection criteria) voluntary early retirement and/or severance package. If made to a specific group of pilots, any offer shall be made on a uniform and non-discriminatory basis. The Company shall notify, meet and consult with the Association prior to making any offer pursuant to this paragraph.

D. Non-Flying Employment Opportunities

A pilot to whom a furlough notice has been issued may compete for available non-flying employment with the Company for which he is qualified for a period of 90 days following the effective date of his furlough or until expiration of the period, if any, during which the pilot is entitled to receive furlough pay, whichever is later. If a pilot is offered and accepts non-flying employment, his pay, working conditions and benefits, including any relocation benefits, shall be determined by Company policies pertinent to that position.

E. Furlough Pay

1. A furloughed pilot shall receive furlough pay based on his longevity as a pilot, in accordance with the table below. The hourly rate of furlough pay shall be the rate applicable to the pilot's crew status on the day prior to the effective date of his furlough. For purposes of this paragraph, bid period compensation is deemed to be 70 hours and a bid period is deemed to be 4 weeks. Furlough pay shall be paid to pilots as provided in Section 3, commencing with the bid period immediately following a pilot's furlough.

<u>Longevity as a Pilot</u>	<u>Furlough Pay (Bid Periods)</u>
Less than 1 year	0
1 years but less than 3	1.0
3 years but less than 4	1.5
4 years but less than 5	2.0
5 years but less than 6	2.5
6 years but less than 7	3.0
7 years but less than 10	3.5
More than 10 years	4.5

2. A furloughed pilot may elect to reduce the dollar amount of the payments of the furlough pay to which he is entitled by 50%. In this event, the number of bid periods during which the pilot is entitled to receive furlough pay shall be doubled. Any election of this option shall be made prior to the effective date of furlough and may not be modified after the commencement of the furlough.
3. If a pilot receiving furlough pay is recalled, his furlough pay shall terminate on the date he resumes active employment. However, if the pilot has elected reduced payments in accordance with Section 23. E.2., he shall receive 60 hours of furlough pay per bid period, on a pro-rated basis, if applicable, for the period he was on furlough, not to exceed the maximum furlough pay to which the pilot was entitled pursuant to Section 23. E.1.

4. If a furloughed pilot is on leave of absence on the effective date of furlough, his furlough pay, if any, shall be based on his scheduled or actual return from leave of absence, whichever is later. His furlough pay shall be reduced by a prorated amount for each day he was on leave of absence (or scheduled to be on leave of absence) after the effective date of the furlough.
5. If a furloughed pilot is offered and accepts non-flying employment with the Company, the total furlough pay to which the pilot is entitled shall be reduced by the compensation he received for his non-flying employment during the bid period(s) with respect to which the pilot is entitled to furlough pay, as provided in Section 23. E.1.
6. Furloughed pilots shall be issued a furlough identification card containing the pilot's name and date of furlough. The issuance of a furlough ID card shall not entitle furloughed pilots to benefits any greater than those specifically provided for such pilots under the terms of this Agreement.

SECTION 24

FILLING OF VACANCIES

A. General

1. Vacancies and excesses in crew positions shall be posted and awarded or assigned in accordance with the provisions of this Section, except as provided otherwise in this Agreement.
2. A pilot's crew position (i.e., domicile, aircraft and seat), shall be determined by his seniority and standing bid.
3. Certification Requirements
 - a. Prior to being awarded a Captain crew position, a pilot must possess a current FAA medical certificate for that crew position, as provided in Section 15.A., and an Airline Transport Pilot Certificate or a current FAA certification of successful completion of the Airline Transport Pilot written examination.
 - b. Prior to being awarded a First Officer crew position, a pilot must possess a current FAA medical certificate for that crew position, as provided in Section 15.A., and at least a Commercial Pilot Certificate (Airplane Multi-Engine Land with an Instrument Rating).
 - c. Prior to being awarded a Second Officer crew position, a pilot must possess a current FAA medical certificate for that crew position, as provided in Section 15.A., and a Flight Engineer (Turbo-Jet) Certificate, or a current FAA certification of successful completion of the Flight Engineer (Basic and Turbo-Jet) written examination.
 - d. If a pilot receives an award but does not possess the requisite certifications as described in Section 24.A.3.a., A.3.b. or A.3.c. (above), he may be removed from that award and, if removed, shall remain in his current crew position. A crew position which becomes vacant as a result of application of this paragraph shall be addressed as provided in Section 24.C.7. (below).
4. Standing Bid
 - a. Each pilot shall maintain a standing bid on file with the Company reflecting his current crew position preferences, which shall remain effective until he submits an updated standing bid.
 - b. A pilot may update his standing bid at any time. The standing bid format shall:
 - i. Contain a separate and optional preference listing for the temporary vacancies and/or FDA vacancies, if any, for which he wishes to bid;
 - ii. Provide a method for percentage bidding on permanent vacancies; and
 - iii. Provide a method to accept an award only if that award would qualify as a bid to relieve an excess.
 - c. Changes to standing bids shall be submitted through VIPS or other Company designated submission process.
5. A pilot awarded or assigned a new crew position shall not relinquish his current crew position until he has been activated into his new crew position.
6. Once a pilot commences initial, transition or upgrade (ITU) training, he may not perform flight duties in his current crew status except as follows:

- a. he is returned to his current crew position due to withdrawal from training, or as a result of a training failure; or
 - b. his illness, injury or other absence(s) causes an unscheduled interruption to his training which then results in a decision to return him to his current crew position; or
 - c. whenever unscheduled training interruptions are caused by natural disasters, emergencies, prolonged mechanical malfunctions or extended periods of unavailability of training equipment anticipated to last in excess of 21 days.
7. A pilot may be released from a vacancy bid award only in extenuating circumstances by the Vice President, Flight Operations.

B. Crew Position Postings

1. General

- a. Notification of postings for crew position vacancies and crew positions in excess shall be communicated to pilots through the appropriate Flight Crew Information File (FCIF). Notification that an active posting exists shall be available through VIPS.
- b. Postings shall contain the following information:
 - i. Number of crew positions to be awarded;
 - ii. Type of crew position:
 - (a) Primary permanent vacancy;
 - (b) Temporary vacancy;
 - (c) FDA vacancy;
 - (d) Position(s) in excess.
 - iii. Seniority numbers of the most senior and the most junior pilots currently holding each crew position posted.
 - iv. Dates and times on which the posting opens and closes.
 - v. Information as to when training related to that posting is projected to begin.
 - vi. Additional information as appropriate.
- c. Each posting shall be published and remain available for bidding for the following minimum time periods:
 - i. 14 days for permanent vacancies or excesses at an existing non-FDA domicile;
 - ii. 28 days for permanent vacancies or excesses at an FDA base;
 - iii. 45 days for the initial posting of permanent vacancies establishing a new domicile (including FDA domicile);
 - iv. 10 days for temporary vacancies.
- d. The Company shall publish at least 1 practice bid award between 7 days and 3 days prior to the closing of any posting for permanent crew position excesses or vacancies. The results of a practice bid(s) shall be communicated to pilots through Company E-Mail.
- e. A posting may not be amended after it is published. The Company may, however, cancel any posting prior to its closing.

2. Temporary Vacancy Posting

- a. A temporary vacancy shall begin and end concurrent with a bid period. Temporary vacancies may not be utilized in a crew position for more than 4 bid periods during any calendar year.

- b. A temporary vacancy posting shall specify the crew position(s) from which bids will be accepted and, if applicable, the number of bids which will be awarded at each domicile from which bids are accepted.
 - c. Temporary vacancies in a crew position shall be posted and awarded separately for each bid period.
 - d. A temporary vacancy may be utilized only at an existing non-FDA domicile.
3. Excess Posting
- When crew position excesses are declared, they shall be posted in the same manner as crew position vacancies.

C. Bid Award Procedure

- 1. Primary crew position vacancies or excesses shown on a posting are deemed to have been awarded at the time the posting closes. If a posting contains both primary vacancies and crew positions in excess, primary vacancy bids and bids to relieve an excess shall be awarded prior to assignment of crew positions to pilots who are involuntarily excessed. The number of pilots involuntarily excessed from a crew position shall be reduced by the number of pilots holding that position who are awarded a new crew position on that posting.
- 2. Within 10 days following the closing of a posting, the Company shall communicate the following to pilots through an FCIF:
 - a. Names, employee numbers and seniority numbers of pilots receiving an award or assignment and the crew position awarded or assigned;
 - b. Type(s) of crew position award(s)/assignment(s):
 - i. Primary permanent vacancy;
 - ii. Secondary permanent vacancy;
 - iii. Temporary vacancy;
 - iv. FDA vacancy;
 - v. Excess;
 - c. Projected training dates;
 - d. Projected activation dates;
 - e. Miscellaneous additional information.
- 3. Permanent Vacancy Awards
 - a. All primary and, if applicable, secondary permanent vacancies shall be awarded in seniority order based on pilots' standing bids and system seniority.
 - b. If no pilot on the Master Seniority List expresses a preference by standing bid for a primary permanent vacancy, the Company may either assign that vacancy to the most junior pilot(s) on the Master Seniority List or hire a pilot(s) to fill any remaining vacancy(ies).
 - c. The Company may elect to fill a secondary permanent vacancy, however, no pilot may be assigned involuntarily to fill a secondary vacancy.
- 4. Temporary Vacancy Awards
 - a. A temporary vacancy(ies) shall be awarded in order of seniority to pilots who:
 - i. are currently qualified in and currently hold a permanent position in the crew status in which the temporary vacancy exists at a base(s) specified by the Company as provided in Section 24.B.2.b.; and
 - ii. have requested that temporary vacancy on their standing bid.
 - b. If a temporary vacancy(ies) remains following the award process the most junior pilot(s) described in Section 24.C.4.a.i., (above), may be assigned that vacancy(ies) in order of reverse system seniority. A pilot may not be assigned

to a temporary vacancy in accordance with this paragraph for longer than 1 bid period nor more than once in any period of 14 consecutive bid periods until all more senior pilots in his crew position have been inversely assigned to those temporary vacancies.

- c. A temporary vacancy may not be awarded or assigned to a pilot who is scheduled or anticipated to be unavailable, (e.g., on vacation, training, sick leave, leave of absence), during the bid period in which the temporary vacancy exists.
- d. A temporary vacancy shall be awarded or assigned prior to publication of the bid period packages for the bid period in which the temporary vacancy exists.
- e. An award/assignment of a temporary vacancy shall not result in a permanent crew position change. Upon completion of a temporary award or assignment, a pilot shall return to his permanent crew position.

5. FDA Vacancy Awards

- a. Primary and, if applicable, secondary FDA vacancies shall be awarded in seniority order based on pilots' standing bids. The Company may elect not to fill secondary FDA vacancies.
- b. No pilot may be assigned involuntarily to fill an FDA vacancy. If no pilot on the Master Seniority List expresses a preference by standing bid for an FDA vacancy, the Company may hire a pilot to fill that vacancy.
- c. The Company and the Association shall work together to jointly develop a vacancy bidding procedure to protect FDA pilots from being assigned to an FDA for more than one year beyond the minimum period required for him to receive a paid return move because no vacancy postings have occurred during the additional year. Such procedure shall not involve increased training cycles and shall recognize seniority. Such procedure may involve relocation expenses.

Intent: The implementation side letter will contain a target date for scripting and implementing this procedure within 6 months or less after the date of signing.

- d. Certain FDA's may have maximum time limitations attached to the assignments. In such cases, the Company shall advise pilots of any known time limitations. A pilot who must leave the FDA based on this paragraph shall be handled as if he had bid to relieve an excess (from an FDA location).
- e. All pilots assigned to an FDA are fully covered by all provisions of this Agreement.

6. Excess Crew Positions

- a. Pilots shall be excessed from crew positions in seniority order from among those pilots who bid to relieve that excess. If an insufficient number of pilots bid to relieve a crew position posted as excess, pilots shall be excessed from that crew position in reverse seniority order. Except as provided in Section 24.C.6.b., a pilot who has been excessed, or who has bid to relieve an excess, shall be awarded another permanent crew position in accordance with his seniority and standing bid; provided, however, no pilot may be awarded or assigned a crew position at an FDA base that would cause an excess at that base.
- b. If an excessed pilot cannot be awarded a crew position due to insufficient preferences on his standing bid, the Company shall assign him to a

permanent crew position with a base in the United States with the highest pay rate to which he is entitled by his seniority.

- c. If an excessed pilot is awarded or assigned a crew position that is also in excess, the number of pilots to be excessed from that crew position may be increased accordingly; provided, however, no pilot may be awarded or assigned a crew position at an FDA base that would cause an excess at that base.
 - d. If an excessed pilot is denied an award to an FDA crew position, pursuant to Section 24.C.6.a. or C.6.c., (above), and he has insufficient seniority to be awarded or assigned another crew position with the same or higher rate of pay, he shall be entitled to passover pay.
7. If, in accordance with other provisions of this Agreement, a pilot is released or is removed from a permanent, temporary or FDA award or assignment prior to his activation in that crew position, the resulting vacancy shall be handled as follows:
- a. the Company may leave that vacancy unfilled; or
 - b. the Company may post that vacancy for bidding on a subsequent posting; or
 - c. that vacancy may be awarded to the next most senior pilot indicating a preference for that crew position on his standing bid as of the closing date of the original crew position posting. A pilot may decline that award if fewer than 7 days exist prior to the training commencement date for that position. If a pilot declines the award, the Company may offer the vacancy to the next most senior pilot indicating a preference for that crew position on his standing bid as of the closing date of the original crew position posting. Application of this paragraph shall not result in the payment of passover pay to any pilot.
8. A pilot released from his award as described in Section 24.C.7., (above), shall remain in his current crew position. If his current crew position is unavailable for reasons identified in Section 11.I.1.f. (Training), his crew position shall be determined as provided in Section 11.I.1.g.

D. Training/Activation Procedures

1. Except as provided in Section 24.D.2., D.3. and D.4., (below), required training for a crew position shall be scheduled by system seniority, senior first, for that crew position.
2. Passover Pay Due To Junior Pilot's Early Activation
 - a. In case of a junior pilot's activation to a higher paying position out of seniority order, every senior pilot who meets the following prerequisites shall be paid as if he had activated in that higher paying position (passover pay):
 - i. the junior pilot and the senior pilot(s) hold an award for the same crew position; and
 - ii. the junior pilot's award is from the same posting as the senior pilot's award or from a subsequent posting; and
 - iii. the Company chooses to activate the junior pilot prior to the senior pilot(s) and the junior pilot's activation delays the training and activation of the senior pilot(s).
 - b. When passover pay is due to a senior pilot as described in Section 24.D.2.a., (above), such passover pay shall be calculated as follows:
 - i. beginning when the junior pilot is activated into the crew position that generated passover pay; and

- ii. ending upon the earlier of:
 - (a) the senior pilot's activation into a new crew position; or
 - (b) the senior pilot's withdrawal from training for his new crew position, with the approval of the Vice President, Flight Operations, or his designee, as provided in Section 11.I.1.d.; or
 - (c) the date that the senior pilot incurs a training cycle failure for the crew position that generated passover pay; or
 - (d) the senior pilot's projected activation date from the original posting (i.e., into the crew position that generated passover pay), if he received a different, intervening award.
- c. Passover pay due in accordance with Section 24.D.2., (and Section 11.M.8.e.), shall be paid on a monthly basis, in accordance with Section 3.E. Repayment of passover pay from pilots who do not activate in the crew position that generated the passover pay shall be exclusively limited to situations in which the pilot:
 - i. withdrew from training for the new crew position before such training began, other than as provided in Section 11.I.1.d. or Section 24.E.3.; or
 - ii. withdrew from training for the new crew position after such training began, other than as provided in Section 11.I.1.d.; or
 - iii. in a subsequent posting, received a different intervening award to remain in his current position, or to a lower paying crew position than his current crew position; or
 - iv. incurs a training cycle failure.

Examples:

	<u>Current</u>	<u>1st Award receiving</u>	<u>Intervening</u>	<u>Repay</u>
	<u>Seat</u>	<u>passover</u>	<u>Award</u>	<u>passover</u>
Scenario 1	27FM	11FM	10FM	NO
Scenario 2	27FM	11FM	27CM	NO
Scenario 3	27FM	11FM	27FM	YES
Scenario 4	27FM	11FM	10SM	YES
Scenario 5	27FM	27CM	11FM	NO

- d. If a pilot entitled to passover pay in accordance with Section 24.D.2., (above), requires additional training, his passover pay shall not accrue during the delay in training caused by his performance.

Example:

Pilots with seniority numbers 1-20 are awarded MEMxxxCap from the same posting. Pilot 18 is activated first, because he needs no training (already having been an xxx Captain at another domicile). Pilot 15 is trained first (due to Company needs in his current crew position) and activated before any pilot other than pilot 18. Pilots 1-17 don't get passover pay when pilot 18 is activated because pilot 18's activation did not delay their activations. However, pilot 15's activation did delay their activation (because pilot 15 took the first training slot, thereby delaying their training), and so pilots 1-14 get passover pay beginning when pilot 15 is activated.

3. Training Due To Excess
 - a. Pilots involuntarily excessed from a crew status shall be scheduled for training in reverse seniority order. Application of this paragraph shall not trigger passover pay for the involuntarily excessed pilots.
 - b. If the actions of a foreign government, law or regulation require the unanticipated or accelerated closure or partial closure of a base, the Company shall endeavor to train and activate those pilots with a minimum impact on the existing training and activation schedules of other pilots. However, pilots excessed from that base may be trained and/or activated into their new crew positions without generating passover pay to any pilot.
4. A pilot shall not begin training for an awarded or assigned crew position earlier than 7 days following the notice of bid award or assignment except by mutual agreement between the Company and the pilot. If all senior pilots awaiting training for a crew position based on the same bid award or assignment were offered and rejected early training and a more junior pilot accepts, no passover pay shall be paid to those senior pilots.
5. If a training date/slot is assigned to a pilot for ITU training and is vacated by that pilot, the following prioritized process shall apply to the reassignment of that training date/slot:
 - a. the date/slot will be used to qualify a pilot who is otherwise available to fly but for his lack of qualification, including but not limited to, pilots returning from leaves of absence, LTD, and pilots who have experienced training failures, if no such pilot exists, then;
 - b. the date/slot may be used to train Flight Training Personnel (e.g., Flex instructors/PCAs, non-pilot instructors, etc.), if the slot is not filled in that manner, then;
 - c. if the date/slot is to be filled, it shall be filled by advancing the pilots on the training list in training slot order and in seniority order within a given training slot, provided that this meets the notice requirements of Section 11.D.;
 - d. if the application of steps a-c does not result in filling the slot, and the slot is to be filled, then the slot will be offered to pilots, from the same crew position posting, who will be asked to waive the notice requirements of Section 11.D.3.;
 - e. the application of Section 24.D.5.b., and/or d. will not result in payment of passover pay to any pilot. Application of Section 24.D.5.a., or 24.D.5.c. will not result in Passover pay to any pilot, unless:
 - (1) the Company inserts a pilot out of seniority order under Section 24.D.5.a. or the Company's application of Section 24.D.5.c. changes the relative order of training judged at the time Section 24.D.5. is applied, and
 - (2) passover pay is authorized under Section 24.D.2.
6. Pilots may exchange training dates with another pilot who received the award from the same posting or a subsequent posting, with flight management approval, provided that every pilot, with an award from that posting or a subsequent posting, who would be entitled to passover pay if the switch were at Company request, consents in writing not to block the training exchange, as no passover pay would be generated with the approval or denial of said exchange, since the swap request is being made by a pilot, not the Company and does not otherwise satisfy the requirements of Section 24.D.2.a.

7. A pilot shall not be entitled to passover pay when he is scheduled for training and activation in accordance with Section 24.D. (this paragraph), and his actual activation is delayed due to his performance in or his unavailability for training.

E. Other Crew Position Award Procedures

1. Down/Lateral Bid Freezes and Restrictions

a. Down/Lateral Bid

A down/lateral bid is an award of a different crew status that is compensated at an hourly rate less than or equal to the hourly rate for the pilot's current crew status.

b. Down/Lateral Bid Restriction

Unless waived by the Vice President, Flight Operations, or his designee, a pilot may not receive a permanent vacancy award based on a down/lateral bid unless he has been in his current crew status for at least 18 months.

c. Down/Lateral Bid Freeze

A pilot who is activated in a crew status that requires ITU training based on a down/lateral bid shall be frozen in that crew status for 24 months, commencing on his actual activation date. A pilot is not eligible for a permanent crew position award requiring ITU training with a projected training date during that freeze period except under the following conditions:

- i. the pilot was excessed or down/lateral bid to relieve an excess; or
- ii. the pilot down bid because of legal restrictions.

d. Administration of Down/Lateral Bid Restrictions and Freezes

Notwithstanding the provisions of Section 24.E.1.b. and E.1.c., (above):

- i. A pilot subject to a down/lateral bid freeze or restriction is eligible for an award or assignment of his crew status at a new base.
- ii. A pilot who down bid in his aircraft to a lower crew seat is eligible for an award of a crew position in a higher crew seat in the same aircraft type during the time of his freeze provided he advises the Crew Staffing Department of his intentions, in writing, at least 7 days prior to the close the bid.
- iii. A pilot who is subject to a down/lateral bid restriction or a crew status freeze in accordance with provisions of this Section shall be released from that restriction or freeze if he is involuntarily excessed or furloughed from his crew status or can no longer hold that crew status due to legal restrictions. If a pilot is ineligible for passover pay as a result of a crew status freeze, and that freeze is lifted, he may become eligible for passover pay based on his subsequent bid award.
- iv. A pilot who is subject to a crew status freeze pursuant to provisions of this Section may receive a bid award and be assigned a projected training date subsequent to the projected training date he otherwise would have been assigned in accordance with Section 24.D., provided the assigned training date is beyond the freeze period. A pilot shall not be entitled to an award if the required training cannot be accomplished within the time period of the originally scheduled training dates associated with that posting. A pilot so assigned shall not be eligible for passover pay due to postponement of his training in accordance with this paragraph.
- v. A pilot who is subject to a crew status freeze in accordance with this Section may be assigned or awarded another crew status that he is otherwise ineligible to hold due to the freeze, only if that other crew status is the only available crew status the pilot could hold.

2. **Bidding Restrictions on Subsequent Postings**
During the time a pilot is in ITU training, he shall not be awarded a crew status that he could have been awarded on the posting containing the crew position for which he presently is in training, or on a subsequent posting that closed prior to the start of his training.
3. If a pilot is within 2 years of the regulated age, he may be frozen in his current crew status. A pilot so restricted shall be entitled to passover pay beginning on the date a junior pilot is activated (from the same or a subsequent posting) in a crew status the more senior pilot is restricted from holding, unless the junior pilot was activated before the senior pilot due to a base transfer or training swap. Such passover pay shall be paid on a monthly basis. Should the regulated age be altered during the term of this Agreement, the Company shall have the option of releasing the freeze for any pilot receiving passover pay under this paragraph. If the pilot is released from the freeze imposed due to the regulated age, and the pilot elects not to upgrade, there shall be no requirement to repay passover pay earned prior to the date of election. Repayment of passover pay for the pilot who elects to upgrade, but subsequently does not activate into the crew position that generated passover pay, shall be governed by Section 24.D.2.c., but only as to the passover pay received for service(s) following the date of release from the freeze.
4. **Cancellation of Awards**
 - a. The Company may cancel an award/assignment of a crew position in reverse seniority order provided it does so at least 30 days prior to the pilot's scheduled training date. A pilot whose award/assignment is canceled may either remain in his current crew position, or exercise his seniority for an award or a vacancy posting that occurred between the date his crew position was awarded and the date it was canceled. He shall be eligible to receive passover pay if:
 - i. a junior pilot is activated in a crew position pursuant to the same or any subsequent posting and the rate of pay for that crew position is higher than the rate of pay for the current crew position of the pilot whose award has been canceled; and
 - ii. the standing bid of the pilot whose award has been canceled included the crew position in which the junior pilot has been activated as a preference higher than his current crew position.
 - b. A pilot's entitlement to passover pay pursuant to Section 24.E.4.a.(above), shall continue until the earlier of:
 - i. the affected pilot's subsequent activation in a crew position with a rate of pay equal to or higher than his passover rate of pay; or
 - ii. the closing date of a subsequent posting meeting the following criteria:
 - (a) the posting contains a permanent vacancy in the crew position with respect to which the affected pilot is receiving passover pay; and
 - (b) the pilot did not have that crew position on his standing bid; and
 - (c) the pilot would have been awarded that crew position had he included that crew position on his standing bid.
5. **New Hire Crew Positions**
 - a. During his initial new hire training, each pilot shall be presented with appropriate information regarding crew position vacancies available for bid. A new hire pilot's initial crew position shall be determined by his standing bid and seniority.

- b. If the Company hires fewer pilots than the number of unfilled vacancies available to be filled by new hires, the Company may designate the crew positions to be made available for bidding by only the affected new hire pilots in accordance with Section 24.E.5.a. (above).
 - c. If the Company subsequently hires additional pilots to fill new hire crew positions remaining unfilled from a posting, the remaining unfilled crew positions shall first be available for award to the pilots previously hired to fill positions from that posting, based upon their seniority and initial standing bid; provided, however, that this paragraph shall not permit a new hire pilot to change his initial crew status.
 - d. If, through the application of Section 24.E.5.c. (above), a junior pilot is activated into a crew position for which a senior pilot(s) did not have the opportunity to bid, the eligible senior pilot(s) shall be paid passover pay in the same manner described in Section 24.D.2.b., D.2.c., and D.2.d.
 - e. If a new hire pilot changes his initial crew position pursuant to Section 24.E.5.c. (above), the Company shall activate him at his new domicile consistent with the Company's staffing requirements.
 - f. Except as provided in Section 6.E.1.c., a new hire pilot shall not become entitled to a relocation package pursuant to Section 6 as a result of the application of this paragraph.
6. A pilot who has a legal restriction that prohibits him from flying in his current crew status shall be accommodated in another crew status, if any, from which he is not legally restricted consistent with his seniority and standing bid.

SECTION 25

SCHEDULING

Function:

A subroutine in pairing generation software designed to accomplish a particular task. Some functions have variable settings that allow the user to adjust the influence they have on a particular pairing solution.

Example:

“Cie global soft credit max per position” is a function designed to control the amount of flying assigned to a particular base. It is colloquially referred to as the “base constraint” function.

Parameter:

For purposes of this subsection, a parameter is a rule, used in the SIG process and identified as a parameter, regarding the construction of pairings or lines.

Example:

“Maximum block per duty period” is a domestic parameter. Its current value is 7:35.

Requests/Preferences:

Requests and preferences (e.g., for trips to be dropped to satisfy minimum day off protection) shall be processed in the sequence provided in the Agreement, and shall be granted or denied based on objective criteria which may be specific to the particular request.

Setting:

The particular value at which a variable function is fixed for a given solution.

Example:

For February 2006, the base constraint setting for ANC MD-11 CAP was 217 CH/day.

Standby Sequence

A standby sequence is defined when a pilot’s trip is awarded/assigned. A standby sequence is the period of time starting at the beginning of a standby, and ending at the scheduled departure of the next scheduled flight activity (revenue flight or deadhead), in the trip, as awarded/assigned.

Submissions:

1. Except as provided in 2., below, submissions (e.g., for bid line adjustments) shall be processed in the order specified in the Agreement and shall be granted or denied based on uniformly applied, objective criteria, material aspects of which shall be supplied to the Association in writing prior to implementation, including any subsequent changes.

2. No bid line adjustment submission shall be unreasonably denied; however, with the approval of the Vice President, Flight Operations or the System Chief Pilot, a bid line adjustment submission may be denied for reasons other than those under item 1. In such cases, the denial shall be reported to the Association within 3 days and shall specify the reasons for the denial.

A. General

1. A bid period shall be either 4-weeks (28 days) or 5-weeks (35 days) in duration, as determined by the Company and shall be uniform system wide. Bid periods shall begin on Sunday or Monday.
2. The Company shall not change the start time of any local base day to any start time other than 0130 LBT without the consent of the Association.
3. All trips known and confirmed at the time a bid period package is published shall appear in the bid period package. To the extent reasonably practical, such trips shall be built into regular lines.
4. Days off are local base days scheduled free from duty at a pilot's base.
5. Trips published in a bid period package that subsequently become available as open time shall remain in the same base during the bid period. Flying not published in a bid period package, including newly constructed trips as described in Section 25.G.5. (certain open time assignments), may be assigned by the Company to any base.
6. A pilot shall be provided access to the Company's computer systems and data in order to view:
 - a. all bid awards and trips.
 - b. information related to open time as follows:
 - i. in crew positions where the Company is using automated systems for trip assignment and trading (currently DReAM and the automated trip trade system), and such systems are functioning, all open time in the current bid period (and in the next bid period after open time is released) shall be visible in "real time," except during periods when:
 - (a) the daily assignment process is taking place.
 - (b) the system(s) is paused to allow manual processing functions; or
 - (c) the system(s) affecting open time administration is not running due to system maintenance, upgrades, etc.
 - ii. in crew positions where such automated system(s) is not functioning, trip pairings more than 40.5 hours prior to showtime shall be visible to pilots accessing the open time interface.
 - iii. a trip(s) may be frozen to allow assignment by CRS. When a trip is frozen, it will be visible, but displayed in a manner indicating that it is available only to CRS.
 - c. the pilot's own work schedule and pay status.
 - d. reserve information as provided in Section 25.A.7.
 - e. another pilot's schedule, as long as the other pilot has opened his schedule to access.
7. The Association, the Company and the pilots assigned to reserve status agree that allowing reserve pilots to review more information about their reserve

leveling position, their relative standing and utilization of other pilots on reserve in that aircraft type, on as practical a real time basis as is possible, is beneficial to all parties. More specifically, allowing pilots to access additional reserve information provides a reserve with more complete information about his "true" availability and allows the pilot to better prepare for transitioning for any reserve duty assignments. For the Company, allowing a pilot to see his position and relative standing provides the Company with increased assurance concerning the availability of those pilots standing reserve. To that end, reserve pilots shall be provided access to the Company's computer system to view other pilots in the same crew position and reserve period (e.g., MEM MD11, F/O, RP-A):

- a. the list of pilots arranged in leveling order by reserve period.
 - b. the available remaining block days of reserve for each pilot on the list.
 - c. the amount of leveling hours of each listed pilot.
 - d. the accrued RLG hours for the month for each pilot.
 - e. the current activity or general availability/unavailability status of other reserves.
 - f. the assignment of utilized reserves.
 - g. special qualifications or restrictions attendant to a particular reserve.
 - h. the names of pilots on the reserve list unless the pilot has not opened his schedule for viewing by other pilots.
8. The Company shall provide an E-MAIL/internet bulletin board for a pilot to list trips he wants to trade or drop, and vacation periods he wants to trade. The pilot may list and update the trip(s), SCH and date(s) of operation of the trip(s) or vacation period(s) he wishes to drop or trade, and, if appropriate, a method for contacting him. The Company shall delete out of date information periodically.
9. A trip will not be scheduled with any crew composition changes (i.e., basic, or augmented) during any duty period. An operational change of crew composition during a duty period shall not extend a pilot's block hour or on-duty limitations.

B. Bid Period Package

1. The Company shall publish (electronically or otherwise, as provided in Section 25.B.3.) a bid period package for each base and, as necessary, a bid period supplemental package. At least one of these packages shall contain, at a minimum, the following information, current as of the publication date:
- a. Trips that are known and confirmed as of the date the bid period package is printed;
 - b. A base seniority list for the bid period package;
 - c. A list of vacations, with names and dates, scheduled for the current and the first week of the next bid period; the entire next month's vacation schedule shall be available electronically.
 - d. A list of pilots due for recurrent training;
 - e. Dates and times available for recurrent training;
 - f. VIPS telephone information (if changed from most recent VIPS guide);
 - g. Pilots bidding for pay only;
 - h. Jumpseats blocked for use, at pilot's option, in lieu of deadhead;
 - i. Hotel, travel, layover and communications updates;
 - j. Sweep aircraft information;

- k. SIBA bidding information;
 - l. A calendar containing bidding dates and times for the current and subsequent bid period;
 - m. Standard miscellaneous forms pertaining to bidding and related matters;
 - n. Scheduled field (airport and hotel) standby, and base (airport and hotel) standby, if applicable;
 - o. Average days off for lines in that bid period.
2. The bid period package shall list the following line bidding choices:
 - a. Regular lines;
 - b. Secondary lines; and
 - c. Reserve lines.
 3. Bid period packages shall be published between 20 and 25 days prior to the beginning of the bid period. From the date of signing of this Agreement through DOS + 6 months, printed bid period packages shall continue to be sent, at no cost to the pilot, at least 20 days prior to the beginning of the bid period to the address designated by the pilot, unless the pilot has elected not to receive a printed bid period package. Effective on DOS + 6 months, the publication of the bid period package may be by electronic means only, provided, however, that a pilot shall have the ability to elect to receive a printed bid period package as provided above. Effective on DOS + 12 months, the bid period package may be published by electronic means only. Thereafter, a limited number of printed bid period packages shall also be distributed and available in bases and the following locations AFW, CAN, CDG, EWR, IND, OAK and other locations by agreement of the Company and the Association.

C. Bidding Procedures (Monthly)

1. Bid(s) shall be entered through VIPS. If access to VIPS is not available, a pilot may enter his bids by other Company approved means, in writing if possible.
2. A pilot may complete a standing monthly bid in a format designated by the Company. A pilot may update his standing monthly bid at any time. If a pilot does not enter a bid for the bid period, or enters an insufficient number of bid choices, he shall be awarded a line based on his standing monthly bid.
3. If a pilot does not bid, fails to enter a sufficient number of bid choices, and either does not have a standing monthly bid or has a standing monthly bid with an insufficient number of choices, he shall be awarded a line by seniority order, and by numerical order of remaining lines, lowest number first after all pilots entering bids have been processed.
4. Bidding for Captains shall close 7 days after distribution of the bid period package, unless the bid package is distributed late due to unforeseen circumstances, in which case the Captains' bids shall close 6 days after distribution of the bid package. In any event, Captains' bids shall close between 18 and 14 days prior to the commencement of the new bid period. Bidding for First Officer and Second Officer awards shall close 24 hours following the close of the bidding for Captain awards. Bids shall be awarded in order of seniority within each crew position based upon bids received as of 1200 CT on such date.
5. FAR Experience Bidding Limitations

- a. A First Officer shall not be awarded a regular line which, at the time of bid awards, would result in a violation of the FAR related to experience requirements (e.g. FAR 121.434, regarding minimum experience for Captain/First Officer combinations). In such case, the First Officer shall be awarded his next choice for which he is legal.
 - b. If any First Officer regular line cannot be awarded through the normal bid award process due to FAR experience requirements, such line shall be assigned to the most junior First Officer who is legal for the assignment.
6. A pilot may only be awarded a line, for flying purposes, for the crew position (i.e., domicile, aircraft, seat) in which he is currently activated and qualified at the time of bid closing. However, a pilot changing domiciles in the same crew status (i.e., aircraft, seat) shall bid and be awarded a line in his new crew position prior to his activation into that new crew position. Such pilot's activation date shall be the first day of a bid period, or if operating a carryover trip, at the conclusion of such trip. If a pilot is activated but not qualified in his crew position at the time of bid closing, he shall be assigned a custom line as provided in Section 25.I.
7. A pilot in active pay status who is projected to be unavailable for line flying in his current crew position for an entire bid period (e.g., due to training, Association business status or sick leave) shall bid a line for pay only.
 - a. A pilot awarded a secondary line in pay only status shall not be eligible for secondary line construction and shall be compensated the average bid period BLG for regular lines for his crew position.
 - b. A pilot awarded a reserve line in a pay only status shall not be eligible for reserve line conversion and shall be compensated an RLG.
 - c. A bid line shall not be awarded to more than one pay only pilot.
8. If no bid period package is published for a crew position due to the absence of known and confirmed flying in such crew position, pilots holding such crew position shall not be awarded lines for the bid period and shall be paid the average scheduled BLG for regular lines, system-wide.
9. First and Second Officers may submit to be awarded a line with other designated pilots. Such submissions shall be accommodated to the extent permitted by this Agreement.
10. Bid awards shall be available on VIPS by 1700 CT on the date the bid closes. A limited number of printed bid line awards shall also be made available in all bases. Construction and publication of secondary and reserve conversion lines shall be available on VIPS by 1700 LBT not later than 4 days prior to the beginning of the bid period.
11. Bidding of Recurrent Training

The awarding of a recurrent training session shall be as follows:

 - a. A pilot scheduled for recurrent training in the following bid period shall bid for a recurrent training session during the Bid Period Processing Conflict Input Window as provided in Section 25.E.2.
 - b. Bids shall be awarded during the Conflict Processing Window as described in Section 25.E.3., and a pilot shall be notified of the award prior to the opening of the View/Add Window as described in Section 25.E.4.

- c. Recurrent training bids shall be awarded by seniority, provided, however, that a pilot shall not be awarded a recurrent training session in conflict with any other known absence, (e.g., vacation period, leave of absence) or carry-out activities from the previous bid period (e.g., carry-out trip or R-days). If a pilot bids a recurrent training session in conflict with a vacation buffer, that buffer will be deemed to have been waived.
- d. If a pilot cannot be awarded a recurrent training session based on his seniority as provided in Section 25.C.11.c., the following shall apply:
 - i. The assignment of his recurrent training shall be done after the award of all recurrent training slots that could be awarded based on seniority.
 - ii. The pilot shall be assigned recurrent training avoiding conflicts if possible. If recurrent training must be assigned in conflict with a trip(s) or R-day(s), (other than a carry-out trip or R-day(s), which will not be conflicted with under this paragraph) those conflicts shall be handled as provided in Section 25.C.11.f. (below).
 - iii. If it is not possible to assign such pilot to a recurrent training session without conflicting with a known absence (e.g., vacation period, leave of absence, carry-out activities), the following shall apply:
 - (a) if the pilot is not in his grace month, then recurrent training will be deferred until the next bid period.
 - (b) if the pilot is in his grace month, then upon completion of the bid period processing, the training Department will coordinate his recurrent training assignment and any conflicts will be handled as provided in Section 25.H.

[Application Note: In certain pre and grace month situations, overlaps between calendar months and bid periods may restrict the recurrent training slots for which a pilot is eligible.]

- e. The available sessions for First and Second Officers may be modified (i.e., “rebalanced”), prior to award based on the sessions awarded to pilots in higher seat positions. (e.g., rebalancing of First Officer available sessions will be based on Captains’ awards; rebalancing of Second Officer available sessions will be based on both Captains’ and First Officers’ awards).
- f. Following the award during the Conflict Processing Window, a trip or block of R-days in conflict with the recurrent training session award shall be treated as a phase-in conflict as provided in Section 25.F. (e.g., the trip or R-day(s) shall be dropped and be eligible for make-up under the CIA assignment code), with the pilot having the ability to enter bids during the following View/Add Window. Conflicts with blocks of R-days under this paragraph shall be handled as follows:
 - i. If the pilot’s recurrent training conflicts with a block of R-days but does not split that block (i.e., it does not leave an R-day(s) both before and after the recurrent training), then only the R-days in conflict with recurrent training shall be dropped as a phase-in conflict and the pilot shall remain responsible for the remaining R-days.
 - ii. If the pilot’s recurrent training splits a block of R-days, then the entire block shall be dropped as a phase-in conflict and the pilot shall not be responsible for any of the R-days in that block.

D. Bid Line Categories and Construction

1. Regular Lines
 - a. Regular lines shall be constructed solely of trips and days off.
 - b. Regular lines shall be constructed with a maximum of 313 hours TAFB in a 4-week bid period, and 390 hours TAFB in a 5-week bid period. Regular lines will only be constructed with a maximum of 15 work days in a 4-week bid period and 19 work days in a 5-week bid period.
 - c. Regular lines in a 4-week bid period shall contain at least 1 block of 4 consecutive days off, 1 block of 3 consecutive days off and 1 block of 2 consecutive days off. Blocks of days off may be combined.
 - d. Regular lines in a 5-week bid period shall contain at least 1 block of 4 consecutive days off, 2 blocks of 3 consecutive days off and 1 block of 2 consecutive days off. Blocks of days off may be combined.
 - e. Regular lines shall be constructed so that the difference between the high BLG and low BLG in a bid period package shall not exceed 11 CH. At the beginning of the January, 2008 bid period, the line spread shall change to 13 CH.
2. Secondary Line Construction
 - a. A sufficient number of secondary lines shall be published to cover trips anticipated to be dropped from regular lines and other open time that may be available.
 - b. Secondary lines shall be published as blank lines.
 - c. Secondary lines shall be constructed in numerical order following the processing of conflicts on regular lines, the assignment of trips for training and bid period processing as described in Section 25.E. (below).
 - d. If a secondary line cannot reasonably be constructed entirely of trips, it may be constructed of trips and reserve days (R-days). If a secondary line cannot be constructed of trips and R-days, it shall be constructed as a reserve line. For purposes of secondary line construction, an R-day does not conflict with another scheduled activity if there is at least 12 hours between the reserve period (RP) and the scheduled activity. If the parties jointly agree to a new automated secondary line process which puts the pilot in direct contact with automation capable of generating secondary lines, such automation shall include the ability to assign available R-days/blocks before trips based on a pilot's bids.
 - e. Secondary lines shall be constructed to comply with the provisions of Section 25.D.1.b. through D.1.e. (above); provided, however, that a secondary line constructed as a reserve line shall comply with the provisions of Section 25.D.3. (below).
 - f. Carryover will not be included as part of a pilot's secondary line and carryover CH will not be part of the BLG/RLG for a secondary line. The secondary line will be constructed within the applicable line spread, and this will be done avoiding conflicts to the greatest extent possible considering the pilot's seniority, and whether he elected minimum days off protection. If it is not possible to build a secondary line within the line spread without creating a conflict, then the line will be built within the spread and trips or R-days that conflict with carryover will be dropped and will be eligible for make-up.
 - g. The maximum number of credit hours on the secondary line of a pilot who is entering ITU training in the bid period that the secondary line is awarded

shall be determined using the number of calendar days in the bid period prior to the ITU start date in the formula set forth in Section 25.I.3.a.

3. Reserve Line Construction

- a. A reserve line consists entirely of R-days and days off.
- b. In a 4-week bid period, a reserve line shall contain a maximum of 15 R-days. In a 5-week bid period, a reserve line shall contain a maximum of 19 R-days.
- c. In the top 60% of reserve lines, R-days shall be grouped into a block(s) with a minimum of 4 R-days. Other reserve lines shall have block(s) with a minimum of 3 R-days; provided, however, that reserve lines that contain blocks of 3 R-days shall not contain any R-days on weekends.
- d. A reserve line may be constructed with an additional R-day(s) that carries over into the following bid period.
- e. There shall be a minimum of 10% R-24 lines per bid pack, with a minimum of 1 R-24 line (described in Section 25.M.2.). The Company and the SIG shall coordinate to establish a percentage of R-24 lines by bid pack, and this percentage shall be reevaluated on a quarterly basis.

4. Conversion Lines

- a. A conversion line is a reserve line that has been converted into a secondary line as provided in this paragraph. Conversion lines shall be constructed after the construction of all secondary lines and in seniority order among those pilots submitting for conversion.
- b. A pilot's bid may contain a submission for conversion of his reserve line, if awarded.
- c. If a pilot submits a line construction worksheet that identifies certain days off to be protected, his reserve line shall not be voluntarily converted unless those days off are protected.
- d. A pilot who has submitted for a voluntary conversion line shall contact VIPS within 3 days prior to the commencement of the bid period to determine if his line was converted.
- e. Involuntary Conversion Lines
 - i. The Company may involuntarily assign conversion lines if:
 - (a) more than 5% of the total CH value of trips from the bid period package exists in open time after construction of voluntary conversion lines, or
 - (b) there are trips remaining in open time that operate over New Year's Eve and Day, Thanksgiving or Christmas Eve and Day.
 - ii. Involuntary conversion lines will be assigned until the thresholds established in Section 25.D.4.e.i.(a) and (b) no longer exist.
 - iii. Pilots shall be selected for such assignment in reverse seniority order. The additional conversion lines shall then be assigned in seniority order among those pilots. The number of reserve lines involuntarily converted may not exceed 50% of the total published reserve lines remaining after voluntary conversions. A pilot whose reserve line has been involuntarily converted shall be notified of the conversion as soon as practical.
- f. Conversion lines shall comply with the provisions of Section 25.D.1.b. through D.1.e. (above). If a conversion line cannot reasonably be constructed entirely of trips, it may be constructed of trips and R-days.

- g. The assignment of a conversion line may not conflict with a trip that began in the previous month.

E. Bid Period Processing

1. Monthly Bid

In addition to line preferences, a pilot's monthly bid shall have the ability to contain the following:

- a. Election of minimum days off protection as a result of phase-in, as provided in Section 25.F.7.;
- b. Waiver of minimum days off protection as a result of recurrent training;
- c. Waiver of an international duty free buffer to avoid a phase-in conflict or a conflict with recurrent training;
- d. Submission for conversion of a reserve line, if awarded; and
- e. Waiver of 1-in-10 (Section 12.C.1.c.), to avoid phase-in conflict.

2. Bid Period Processing Conflict Input Window

The bid period processing conflict input window shall be no less than 48 hours long beginning at 1700 CT on the date the bid closes. A pilot may enter the following via VIPS:

- a. Worksheet for minimum days off protection as provided in Section 25.F.7.;
- b. Submissions for vacation adjustments, (including waiver of vacation buffer for a secondary or reserve line) as provided in Section 7.E.2., E.3., and Section 7.G.3., and 4.;
- c. Reserved;
- d. Bids for recurrent training sessions following the completion and viewing of vacation adjustments and waivers, if any;
- e. Election to retain carryover R-day(s) not in conflict with bid line trip as described in Section 25.F.3.a. (below).
- f. Submission to drop carryover trips under 72 hours TAFB as provided in Section 25.F.3.b.
- g. Worksheet for reserve vacation line.

3. Conflict Processing Window

The Conflict Processing Window is a period of not less than 24 hours beginning when the Bid Period Processing Conflict Input Window closes. Within the Conflict Processing Window, recurrent training sessions will be awarded after all other conflicts, except those due to minimum day off protection, have been processed. Following the award of recurrent training sessions, conflicts with recurrent training will then be processed. After recurrent training is awarded, conflicts due to minimum day off protection shall be processed.

4. View/Add Window

The View/Add Window is a period of not less than 48 hours beginning at the close of the Bid Period Conflict Processing Window. During the View/Add Window, a pilot shall have the ability to view open time and enter the following via VIPS:

- a. Worksheet for a secondary or conversion line;

- b. Bids for make-up trips due to phase-in conflict, as provided in Section 25.F.;
- c. Bids for vacation make-up as provided in Section 7.G.5.;
- d. Bids for phase-in make up and MUV trips shall be by specific trip number (including date) only.
- e. Bids for MUV and CIA shall be awarded in seniority order. Preferences shall be processed in seniority order. The Company shall accommodate pilots' preferences to the greatest extent practicable.

F. Bid Period Phase-In

1. A phase-in conflict occurs when:
 - a. a pilot not qualified for the lowest FAR landing minimums for his aircraft is awarded a trip to an international location that was designated in the bid period package as restricted to pilots qualified to those minimums; or
 - b. a pilot is unable to perform an assignment(s) in a bid period due to a trip (including an international buffer, if any) that began in the previous bid period or a carryover R-day(s). For purposes of determining conflicts with R-days on which no activity has been assigned, the following shall apply:
 - i. An R-day conflicts with an earlier assignment unless there is at least 12 hours prior to the start of the pilot's first RP, and no legality problems are caused by the previous assignment (e.g., 1-in-7).
 - ii. An R-day conflicts with a subsequent assignment unless there is at least 12 hours between the end of the pilot's R-day and the beginning of the scheduled assignment, and no legality problems are caused by the subsequent assignment (e.g., 1-in-7).
 - iii. An R-day conflicts with another R-day unless there is at least 12 hours between the consecutive RP's; however, consecutive R-days with the same RP do not create a conflict.
 - iv. The provisions of Section 25.F.1.b.i., 25.F.1.b.ii., and 25.F.1.b.iii., do not apply operationally or during the application of Section 25.M.3.d.
 - c. a pilot is awarded/assigned a recurrent training session in conflict with a trip or block of R-days, as provided in Section 25.C.11.d.ii., or C.11.f.
2. Conflicts relating to on-duty limitations shall be determined based upon operational duty limitations, as provided in Section 12.C.5. and D.6.
3. A pilot's current bid period schedule shall take precedence over a subsequent bid period award except as follows:
 - a. If a pilot has R-day(s) that carryover into a bid period in which a pilot has a regular line:
 - i. any carryover R-days in conflict with a trip shall be dropped, and be eligible for make-up; and
 - ii. any carryover R-days on which no trip was assigned shall be dropped, and be eligible for make-up, unless the pilot elects to retain those R-day(s) during the Bid Period Processing Conflict Input Window, as provided in Section 25.E.2.e. (above).
 - b. To avoid a phase-in conflict, a pilot with a trip in the new bid period in excess of 120 hours TAFB shall, during the Bid Period Processing Conflict Input Window, have the ability to submit to drop a carryover trip in the current bid period of less than 72 hours TAFB duration as follows:
 - i. Such submission shall be made during the Bid Period Processing Conflict Input Window.

- ii. Any submissions shall be processed in seniority order.
- c. Unpaid carryover on a pilot's pay only line during ITU shall not create a phase in conflict in a subsequent bid period.
- 4. A pilot may elect to waive an international duty free buffer to avoid a phase-in conflict.
- 5. In the event of a phase-in conflict with a trip(s) on a regular line in the new bid period, the trip(s) in the new bid period shall be dropped without pay and the pilot shall be eligible to make-up the CH value of trip(s) dropped due to phase-in conflict prior to construction of secondary lines, as provided in Section 25.E.4.b., L.1. and L.5.
- 6. In the event of a phase-in conflict with an R-day(s) in the new bid period, the R-day(s) in the new bid period shall be dropped and the pilot shall be eligible to make-up an R-day value(s), as provided in Section 25.E.4., L.1. and L.5.
- 7. If a pilot's line, including recurrent training and carryover from the previous bid period, does not meet minimum days off protection, the following shall apply prior to the construction of secondary lines:
 - a. A pilot shall have the ability to drop a trip(s)/R-day(s) from his line, provided that his line, after the adjustment, contains the minimum number of days off and the pilot shall be eligible for make-up. The pilot may request which trip(s) or R-day(s) will be dropped; or
 - b. If a pilot is unable to protect his minimum days off as provided in Section 25.F.7.a., the pilot shall have the ability to drop a trip(s) even though the drop(s) would cause his line to contain more than the minimum number of days off. He may request which trip(s) or R-day(s) will be dropped. The pilot shall then be eligible for make-up to the extent necessary to restore the CH value of a trip(s) dropped in the View/Add window, prior to construction of secondary lines.
 - c. Adjustments to a pilot's line in accordance with Section 25.F.7.a. and F.7.b. (above), shall be made in accordance with Section 25.E.
- 8. If a pilot's vacation period ends on the last day of a bid period and is immediately followed on the first day of the subsequent bid period by a block of RP-A or R-24 reserve periods, the following shall apply:
 - a. Unless the conflict is waived, the first reserve period will be dropped and eligible for make-up as provided in Section 25.E.4. and Section 25.L.1. and L.5.
 - b. A pilot may waive the vacation/reserve conflict to avoid a phase-in conflict. If waived:
 - i. an RP-A pilot shall be available for notification pursuant to Section 25.M.3.c.i.(a) or (b), as appropriate.
 - ii. CRS may give an R-24 pilot a reserve assignment via VIPS at least 24 hours prior to its scheduled showtime.

G. Open Time Assignments

- 1. Following resolution of phase-in conflicts, open time may be used in the following order: training assignments, phase-in make-up, (including MUV, as provided in Section 7.G.5.a.) and then substitution/reassignment. Remaining open time shall be used for construction of secondary and conversion lines. After construction of secondary and conversion lines, open time may be used at

any time prior to or during a bid period for PMU, substitution/reassignment, custom line construction, advance reserve assignment, advance volunteer assignment, make-up, training assignment and Association Fly Back (AFB). However, during the first 12 hours after the publication of open time, only pilots shall have access to open time trips starting in the new bid period. The Company may also use open time before the assignment window in order to assign a trip to an R-24 pilot.

2. Open Time Availability

- a. Open time for a bid period shall be available for viewing not later than 72 hours prior to the beginning of the bid period. Each bid period package will indicate when open time will be released. The release times may be staggered between aircraft types and bases to prevent VIPS overload.
- b. A pilot shall be provided access to the company's computer systems and data to view information related to available open time as follows:
 - i. in crew positions where the Company is using automated systems for trip assignment and trading (currently DReAM and the automated trip trade system), and such systems are functioning, all open time in the current bid period (and in the next bid period after open time is released) shall be visible in "real time," except during periods when:
 - (a) the daily assignment process is taking place.
 - (b) the system(s) is paused to allow manual processing functions; or
 - (c) the system(s) affecting open time administration is not running due to system maintenance, upgrades, etc.
 - ii. in crew positions where such automated system(s) is not functioning, trip pairings more than 40.5 hours prior to showtime shall be visible to pilots accessing the open time interface.
 - iii. a trip(s) may be frozen to allow assignment by CRS. When a trip is frozen, it will be visible, but displayed in a manner indicating that it is available only to CRS.

3. Assignment Window

- a. Except as provided in Section 25.G.3.a.i. and ii., at 0900 LBT each day the Company shall begin to assign open time trips and base standbys with showtimes through the next 40.5 hours.
 - i. At 0700 LBT each day, any trip with 120 hours TAFB or more, with a showtime during the next two local base days that is assigned to a pilot who is on sick leave shall be available in open time for Bid Line Adjustments as provided in Section 25.L. At 1000 LBT, such trips shall become available for assignment by CRS.
 - ii. At 0700 LBT each day, any trip with less than 120 hours TAFB, with a showtime during the next local base day that is assigned to a pilot who is on sick leave shall be available in open time for Bid Line Adjustments as provided in Section 25.L. At 1000 LBT, such trips shall become available for assignment by CRS, with the exception of trips with a showtime prior to 1800 LBT that same day, which shall become available for assignment by CRS at 0900 LBT.
- b. Open time not assigned as provided in Section 25.G.1. (above), shall be assigned in the following order:
 - i. SUB, RAT or PMU;
 - ii. Make-up;
 - (1) CMU

- (2) M/U
 - (3) MUS (includes both MUS and MUD)
 - (4) MUV
 - iii. AFB;
 - iv. RSV;
 - v. VLT;
 - vi. DRF.
- 4. The Company may assign a VLT or DRF ahead of reserve, due to operational requirements, notwithstanding Section 25.G.3.(above). If necessary to prevent or mitigate a departure delay, the Company may make an open time assignment other than as provided in Section 25.G.3. (above) and will report the specific circumstances of such assignment(s) to the Association in the bid period report under Section 9.B.
- 5. If an open time trip cannot be assigned through the application of Section 25.G.3.b.i. through iv., that trip may be canceled and a new trip(s) may be constructed and assigned according to this paragraph (Section 25.G.). This procedure may only be done inside the open time assignment window, as provided in Section 25.G.3.

H. Substitution

- 1. Applicability
Substitution provisions apply only prior to block out on a trip. Substitution shall not occur due to Company actions made for operational reasons (e.g., trip revision, high minimums pull) after block out. A pilot who blocks out on a trip, but returns prior to making a landing at another airport, or who never blocks out due to an operational emergency, may be eligible for substitution, as if he had not blocked out.
- 2. Eligibility for Substitution
A pilot is eligible for substitution if he is removed from a trip for which he is entitled to trip guarantee for any of the reasons listed in this paragraph. Pilots in MUV, MUS, CMU, AFB, VLT, DRF or reserve are not eligible for substitution. If a pilot is removed from a substitution trip for any of the reasons listed in this paragraph, he shall remain eligible for substitution based upon his original trip (i.e., the trip or series of trips that actually created the substitution eligibility). The following events generate substitution eligibility and, where noted, reassignment offers prior to substitution.
 - a. Trip Canceled
 - i. The trip is canceled for any reason; or
 - ii. If a trip is canceled due to a change of gauge a pilot shall be offered the rebuilt trip for his aircraft as a SUB or RAT, if possible.
 - b. Trip Rescheduled Outside 4 Hour Window
The trip is rescheduled to begin more than 4 hours prior to its original showtime or to terminate more than 4 hours after its original termination time. Trips in this category must be offered to the pilot as a reassignment trip prior to the pilot being placed in substitution.
 - c. Showtime Moved Up Without Notice
The trip is rescheduled with a showtime at least 1 hour earlier than the original showtime and the pilot is not adequately notified of that change. For purposes of this paragraph, adequate notification occurs if:

- i. the pilot checks in at or prior to the new showtime; or
 - ii. he is notified of the change at least 8 hours prior to the new showtime; or
 - iii. he is transiting his base on separate trips not interrupted by a legal rest period and he is notified of the change prior to the new showtime.
 - d. Reserved
 - e. Reserved
 - f. Weather Restrictions
The pilot is removed from the trip due to weather related restrictions.
 - g. FAR or Other Governing Authority
The pilot is removed from the trip because he will or is projected to exceed FAR limitations or because of other government controlled restrictions, (e.g., work visa not issued in time, revocation or denial of route authority).
 - h. Contract Limitations
The pilot is removed from the trip:
 - i. because he will or is projected to exceed limitations contained in this Agreement (e.g., precautionary weather pull);
 - ii. because the Company has determined that he is ineligible to fly based on a general, uniformly applied set of criteria (e.g., lack of LCA on route familiarization segments); or
 - iii. due to other circumstances expressly specified in this Agreement as giving rise to substitution eligibility.
 - i. Operational Conflict
If a trip is revised more than 24 hours prior to the showtime for that trip, and it causes a conflict with a subsequent trip, the revised trip shall be dropped and eligible for substitution. If a trip is revised within 24 hours of showtime, and the revision causes a conflict with a subsequent trip, the subsequent trip shall be dropped and be eligible for substitution, unless the first trip is eligible for substitution for some additional reason.
 - j. Training
The pilot is removed from the trip due to his recurrent training, other than as a phase-in conflict (See Section 25.F.1.c.).
3. Notification of Substitution Assignment
- a. Notification
A pilot who is eligible for substitution may be offered a substitution assignment at any time. He shall be available to receive substitution offers during the availability periods described in Section 25.H.3.b. and H.3.c. (below).
 - b. Initial Availability Period
The initial availability period begins when a pilot is notified of his substitution availability and ends 4 hours after the showtime of his original trip. Beginning 4 hours prior to the showtime of his original trip or once notified of substitution eligibility, whichever is later, he shall be available for substitution assignment until 4 hours after showtime of his original trip. If, before the end of his initial availability period, the pilot has not been offered a substitution assignment (other than airport hold) with a showtime within 72 hours after the showtime of his original trip, the following shall apply:

- i. If his substitution window, as provided in Section 25.H.4., is shorter than 72 hours, he shall have no substitution responsibility after his initial availability period.
 - ii. If his substitution window is greater than 72 hours, he shall be credited with 18 hours toward his substitution guarantee. He may not be given a substitution assignment with a showtime within 72 hours of the showtime of his original trip, and he has the following options:
 - (a) elect OTP for the balance of his original trip guarantee; or
 - (b) remain eligible for substitution.
 - iii. A pilot entitled to elect OTP under Section 25.H.3.b.ii. (above) may do so until the first 0900 LBT after the end of his initial availability period. If the pilot has not elected OTP by that time, he will remain in substitution.
- c. Subsequent Availability Periods For SUB Windows Greater Than 72 Hours
If the pilot chooses to remain eligible for substitution by so indicating in VIPS his subsequent availability periods are as follows:
 - i. A pilot shall be available for substitution assignment between 1000 and 1600 hours LBT the day prior to each remaining day on which he could operate a substitution assignment; however
 - ii. He is not required to be available during the last 1000 to 1600 LBT period within his substitution window.
- d. Conflicts With Availability Periods
A pilot shall be required to be available for substitution assignment only during the portion of an availability period during which he is not in a legal rest period, on a trip, or in training.
- e. Meaning of "Availability"
 - i. A pilot may supply VIPS with a primary contact number for use during periods when he is required to be available for substitution assignment. In order to contact him during those periods, CRS shall place three calls based on the following hierarchy:
 - (a) VIPS primary contact number.
 - (b) "Beeper" (or cell phone) number.
 - (c) permanent contact number #1.
 - (d) permanent contact number #2.
 - ii. A pilot shall be deemed "available" for substitution assignment if he either answers calls placed to his contact numbers or returns those calls within 15 minutes. In extenuating circumstances in which a pilot will be out of contact for more than 15 minutes, a pilot may work with CRS to make alternative contact arrangements.
- f. Notification While On Duty
Prior to starting a legal rest period, a pilot on a trip which ends during his substitution window shall contact CRS within 30 minutes following block-in for possible substitution assignment.
- g. Airport Hold
A pilot eligible for substitution may be held at the airport for up to 4 hours after the showtime of the trip for which he was reporting, however, he shall not be held beyond the scheduled duty limitations applicable to that trip. A pilot on airport hold in MEM shall be eligible for a room in the crew rest

facility. A pilot on airport hold shall earn 6 CH toward his substitution guarantee, as provided in Section 4.L.4.

4. Substitution Window

A pilot's substitution window shall be the period beginning 4 hours prior to showtime of the original trip (i.e., the trip or series of trips that actually created the substitution eligibility) and ending 4 hours after the termination of the original trip. For purposes of determining a pilot's substitution window, a series of trips not interrupted by a legal rest period at base is considered a single trip.

a. Early Close of Substitution Window

A pilot's substitution window shall close if his substitution guarantee exceeds his original trip guarantee.

b. Recurrent Training

If a pilot becomes eligible for substitution as a result of his recurrent training, any substitution eligibility created will adhere to the provisions of Section 25.H.3.a., H.3.b. and H.3.c., (see also Section 25.C.11.d.iii.(b)). His substitution window shall be as follows:

Example: Recurrent training creates substitution eligibility for a 7 day trip, and the pilot is eligible for substitution for 4 days. This shall be treated as if it were a 4 day trip, for purposes of Section 25.H.3.a., H.3.b., and H.3.c.

i. Training Exclusively On Days Off

If the training is scheduled exclusively on scheduled days off, and as a result of that training, he is scheduled to receive fewer than the minimum days off and has not waived such protection, he shall be removed from a trip(s), and is eligible for substitution on trip days dropped in excess of minimum days off. The Company shall notify him of the contiguous days on which he is eligible for substitution. The pilot shall be responsible for the availability periods corresponding to those days.

ii. Training Exclusively On Trip Days

If the training is scheduled exclusively on trip days, the pilot shall be eligible for substitution on any trip days dropped not in conflict with training.

iii. Training On Trip Days And Days Off

If the training is scheduled on trip days and days off, the pilot shall be eligible for substitution for any trip days dropped in excess of the total number of training days (i.e., training days in conflict plus training days not in conflict). If, as a result of the training scheduled under this paragraph, he is scheduled to receive fewer than the minimum days off, and has not waived that protection, he shall be removed from an additional trip(s) and is eligible for substitution on trip days dropped in excess of minimum days off. The Company shall notify him of the contiguous days on which he is eligible for substitution. The pilot shall be responsible for the availability periods corresponding to those days.

iv. Fewer Than Minimum Days Off Due To Carryover

If the pilot's line has fewer than the minimum days off as a result of carryover, the number of days off protected shall be limited to the number of scheduled days off on his line (including carryover).

v. Training Rescheduled By Pilot

If the pilot has rescheduled his training from a prior bid period, he shall not be entitled to minimum days off protection. He is eligible for substitution for all trip days dropped not in conflict with training.

vi. Location of SUB Window

In Section 25.H.4.b.i., 4.b.ii., and 4.b.iii., when the trip dropped for recurrent training is in actual conflict with the pilot's recurrent training footprint, the pilot's substitution window will be scheduled to touch either end of his recurrent training, unless the pilot requests otherwise and an alternative arrangement can be made. If the trip dropped due to recurrent training is not in actual conflict with the training, the SUB window will be based on the footprint of the trip dropped, rather than the recurrent training footprint.

5. Substitution Assignment Parameters

A pilot eligible for substitution may be assigned a substitution trip(s) or standby assignment(s) in accordance with the following:

a. Substitution Trip Assignment

The showtime and scheduled termination of a substitution trip must be within a pilot's substitution window.

b. Daytime Flying Assignment

A pilot eligible for substitution based on a trip in which more than half of the revenue duty periods begin in the day period may be offered any legal substitution assignment; however, if such pilot is offered a trip in which more than half of the revenue duty periods begin outside the day period, he may refuse such trip without loss of trip guarantee.

c. For a substitution assignment window of 72 hours or less, any assignment shall be sequential or any unassigned periods during this window are eligible to be claimed for reimbursement for a hotel room (not to exceed the base hotel contract rate).

d. Base Airport Standby Assignment

A pilot may be offered a regularly scheduled base airport standby assignment only if that standby would otherwise have to be assigned to a VLT or DRF pilot. A substitution pilot on standby must accept any standby trip assignment that is scheduled to operate within his substitution window.

Example: The Company may not create a base airport standby solely in order to use a substitution pilot/crew. If, due to operational circumstances, (e.g., weather, anticipated volume), the Company increases the number of standby's (e.g. not 1 pilot on a.m. standby, but 4 pilots on a.m. standby), then the Company could assign the standby to a substitution pilot, as long as it would otherwise have been assigned to a VLT or DRF pilot.

e. Hotel Standby Request

i. A pilot whose original trip was greater than 72 consecutive hours may request to have a hotel standby pairing constructed to cover his substitution window, or the portion of that window not covered by trips already accepted, if any, in accordance with the following:

(a) If his substitution eligibility was posted in VIPS, or he was notified of his substitution eligibility by CRS, more than 24 hours prior to showtime, he may request hotel standby through CRS up to 24 hours prior to showtime.

- (b) If he does not have an answer to his hotel standby request or if substitution eligibility was posted in VIPS 24 hours or less prior to showtime, then he may call CRS to request hotel standby. CRS shall grant or deny that request immediately.
 - ii. A substitution pilot on hotel standby must accept any standby trip assignment that is scheduled to operate within his substitution window. Normal hotel standby report times apply to a pilot on substitution hotel standby.
 - f. Minimum Report Times

Unless waived by the pilot, the earliest showtime for a substitution trip shall be as follows:

 - i. If a pilot is offered a substitution trip during his initial availability period, and he is not already at the airport, the showtime for that assignment shall be at least 1:30 hours after notification.
 - ii. If a pilot is offered a substitution trip during a subsequent availability period, (1000 through 1600 LBT), and he is not already at the airport, the showtime for that trip shall be:
 - (a) at least 8:00 hours after the first attempt at notification if the first duty period in the trip is scheduled to domestic block hour and on-duty limitations; or
 - (b) at least 12:00 hours after the first attempt at notification if the first duty period in the trip is scheduled to international block hour and on-duty limitations.
 - g. A pilot shall not be given a substitution assignment that would cause him to be illegal for his next assignment, except as provided in Section 25.H.2.i.
 - h. A substitution assignment shall not impinge on a required rest period (including such a rest period associated with training).
6. Acceptance or Rejection of Substitution Assignments
- a. A pilot shall accept or reject a substitution assignment when offered. However, when a pilot learns of a substitution offer through VIPS prior to his initial availability period, he shall have 24 hours, or until 4 hours prior to showtime, whichever is less, to call CRS and reject the trip. Failure to reject the assignment in that time frame constitutes acceptance of the assignment.
 - b. A pilot shall not earn trip guarantee for his original trip if he:
 - i. fails to satisfy availability or contact requirements specified in Section 25.H.3. (above), or
 - ii. trades a substitution assignment, or
 - iii. rejects a substitution assignment which is offered by CRS or through VIPS:
 - (a) prior to the scheduled showtime of the original trip; or
 - (b) during a required contact or availability period; or
 - (c) while on Company assignment during his substitution window.
 - c. A pilot may reject a substitution assignment offered other than as provided in Section 25.H.6.b.iii. (above), or in accordance with Section 25.H.5.b., without loss of trip guarantee (i.e., night or critical flying offered to day flyer).
- Example: A pilot in the second day of a six day substitution window is not offered a substitution assignment during his 1000-1600 LBT availability

period. A 3 day trip becomes available and CRS calls the pilot at 1730 to see if the pilot would like the trip as a substitution assignment. The pilot may decline the substitution offer without loss of trip guarantee because the trip was not offered at any of the times described in Section 25.H.6.b.iii. (the immediately preceding paragraph).

- d. A pilot who has forfeited trip guarantee shall have no further substitution eligibility for his original trip, shall not be required to remain available for contact, and shall be eligible for OTP or normal make-up, as applicable. However, if he accepts a substitution assignment(s), but subsequently forfeits trip guarantee, the following shall apply:
 - i. he shall be responsible for any previously accepted, but not yet operated substitution assignment(s) and that assignment(s) shall be deemed make-up.
 - ii. he shall be eligible for make-up for the value of his original trip.

7. Trading or Dropping Substitution Assignments

If a pilot accepts a substitution assignment and then subsequently trades or drops that assignment, (including PDO bump by another line pilot), he shall forfeit trip guarantee and be released from future substitution eligibility.

8. Ineligibility for Volunteer

- a. A pilot may not accept a volunteer trip that operates during any portion of his substitution window, except as provided in Section 25.H.8.b., H.8.c. and H.8.d. (below).
- b. A pilot may accept a VLT trip which is assigned after his last availability period is over.
- c. A pilot who elects OTP at least 4 hours prior to the showtime of his original trip may accept a VLT trip as if he had never been eligible for substitution.
- d. A pilot who elects OTP less than 4 hours prior to showtime, shall not be eligible for a VLT trip with a showtime within 24 hours of the showtime of the original trip.
- e. If a pilot is inadvertently assigned a VLT trip in conflict with Section 25.H.8. (this paragraph), he shall earn compensation for that trip at 150% of his normal pay rate, or be notified of removal prior to block out.

9. Reserved

10. Reassignment in Lieu of Substitution

A pilot eligible for substitution may be offered a reassignment trip in lieu of substitution subject to the following:

- a. Reassignment Trip Offer
The Company may offer a reassignment trip to any pilot who has not accepted a substitution assignment.
- b. Acceptance or Rejection of Reassignment Trip Offer
 - i. If a pilot accepts a reassignment trip he shall earn the higher of trip guarantee for the original trip(s) or trip guarantee for the reassignment trip, calculated as described in Section 4.M.1. (Reassignment Trip Pay). That pilot shall be released from all substitution obligations relating to his original trip.
 - ii. If a pilot declines a reassignment trip, he shall remain eligible for substitution.

- iii. If a pilot trades his reassignment trip, he shall earn only the trip guarantee for the trip(s) assumed as a result of the trade.

11. Election of Open Time Priority In Lieu Of Substitution

- a. A pilot eligible for substitution on a non-PMU trip may elect OTP by notifying CRS via VIPS as follows:
 - i. any time prior to the showtime of his original trip if he was notified of substitution eligibility prior to showtime; or
 - ii. when notified of his substitution eligibility if he is notified after showtime.
- b. If a pilot becomes eligible for substitution on an PMU trip, and rejects SUB, he shall not earn any credit hours for that trip, and shall revert to his original OTP status.
- c. If, while still eligible to elect OTP, a pilot forfeits trip guarantee as provided in Section 25.H.6., (above), he shall be placed in OTP automatically.

I. Custom Lines

- 1. A custom line shall be comprised of trips, R-days or a combination of trips and R-days. The Company may construct and assign a custom line to a pilot if:
 - a. he is returning to line flying in a bid period for which he was ineligible to bid (e.g., returning from a leave of absence); or
 - b. he is returning to line flying after having been awarded a pay only line (e.g., completion of IOE, extended sick leave); or
 - c. he is removed from his line, or a portion thereof, due to anticipated absence and the pilot subsequently becomes available (e.g., training is delayed); or
 - d. he is removed from a portion of his line due to conflict with the beginning of ITU training; or
 - e. he is a new hire pilot in a bid period for which he was ineligible to bid; or
 - f. he becomes qualified after the bid award closed, and as a result, did not receive a line for flying. (See Section 25.C.6.)
- 2. A custom line shall be constructed as follows:
 - a. A custom line constructed entirely of trips, or a combination of trips and R-days, shall comply with the provisions of Section 25.D.1.b. and D.1.e. (regular line construction).
 - b. A custom line constructed entirely of R-days shall comply with the provisions of Section 25.D.3. (reserve line construction).
- 3. The provisions of Section 25.I.2.a. and I.2.b. (above), shall be applied on a prorated basis as follows:
 - a. If a pilot is returning to line flying in a bid period for which he was ineligible to bid, the maximum number of credit hours on his custom line shall be a prorated portion of the credit hour value of average BLG for his crew position, based on the number of days remaining in the bid period, rounded to the nearest whole number.

Example: Average BLG = 74 CH
10 of 28 days remain in bid period
 $(10 \div 28) \times 74 = \text{Maximum } 26 \text{ CH on custom line.}$

- b. The number of credit hours on a custom line for a pilot who has been awarded a pay-only line shall not exceed his pay-only BLG/RLG, less credit received during the bid period.
 - i. A pilot returning from training shall be credited an R-day value for each day he receives or shows for scheduled training other than IOE, and the higher of SCH or ACH for IOE trips. The number of days off on such pilot's pay only line shall be preserved when constructing his custom line. A day off during his training footprint shall be considered a day off when constructing his custom line.
 - ii. The credit hours on a custom line assigned to a pilot returning from sick leave shall be credited to his sick leave account.
 - c. A custom line assigned to a pilot who has been awarded a pay only line with carryover may include carryover CH in addition to the maximums established in Section 25.I.3.a. and I.3.b. (above), subject to the following:
 - i. the number of carryover credit hours on the custom line shall not exceed the credit hours allocated to the carryover portion of a trip on the pilot's pay only line; and
 - ii. the number of carryover R-days on a custom line shall not exceed the number of carryover work days on the pilot's pay only line.
 - d. If a pilot is removed from his line, or a portion thereof, due to anticipated absence and he subsequently becomes available (e.g., training is delayed), the number of credit hours on his custom line shall not exceed the credit hours removed due to his anticipated absence.
 - e. The custom line for a pilot who has been removed from a portion of his line due to the beginning of ITU training, shall include a 48 hour duty free period immediately prior to the beginning of ITU training. Any trips on the pilot's awarded line not in conflict with the pilot's training or training buffer will be included on his custom line. The number of additional credit hours placed on such pilot's custom line shall be limited to the following:

Trip(s) CH minus (R-day value times trip days in actual conflict with training) minus 12 CH training buffer.
4. Custom Line Assignment
- A pilot eligible for custom line assignment shall contact CRS no later than 72 hours prior to the anticipated eligibility for custom line assignment (e.g., return from LOA, IOE or beginning of ITU part of the way through a month). Such pilot shall have the ability to enter a line construction preference worksheet for his custom line at that time. The Company shall accommodate his preferences in accordance with seniority to the greatest extent practicable.
- a. The custom line for a pilot who was in training, shall not be constructed earlier than his completion of training. He shall check VIPS for custom line assignment between 1000 and 1200 LBT after his legal rest period following his final IOE trip.
 - b. The custom line for a pilot who does not require training shall be constructed within 2 days of his anticipated return to line flying. He shall check VIPS for custom line assignment prior to his anticipated return.
 - c. A pilot eligible for custom line assignment shall not submit for any bid line adjustments (Section 25.L.), volunteer or draft trips for the period covered by his custom line until after he receives such line.

J. Training Assignment

A pilot whose training requires aircraft line flying (e.g., IOE, line check) and who is not currently assigned a trip that provides the required flying, may be assigned a trip(s), as provided in Section 25.G.1. (Open Time Assignments). Instructors may also be assigned trips pursuant to this paragraph for the purpose of conducting training; provided, however, that a trip may not be assigned to an instructor under this paragraph if it was on the bid line of a pilot more senior than the instructor, prior to becoming open.

K. Advance Reserve Assignment

1. The Company may advance assign a reserve pilot a trip(s) from open time in accordance with Section 25.G.1. (Open Time Assignments), only for the following purposes:
 - a. to satisfy FAR experience requirements for the least restrictive operating limitations (e.g., CAT II/III minimums, 100 block hours in 90 days, 75 block hours in new equipment); or
 - b. to comply with visa acquisition procedures; or
 - c. to cover an open time trip that is more than 50 hours TAFB, such assignment shall not be awarded greater than 7 days in advance.
2. A pilot may be advance assigned a trip only if the trip is scheduled to operate on his scheduled R-day(s). At the request of CRS, a pilot may agree to reschedule his R-day(s) so that he can accept an advance reserve assignment.
3. A pilot shall not be removed from an advance reserve assignment except for the reasons stated in Section 25.H.2.a., H.2.c., and H.2.f. through H.2.j. (certain substitution situations) and 25.M.1.b. Upon notification of removal from an advance reserve assignment, a pilot shall return to reserve status for any of his originally scheduled block of R-days which remain after he was notified of his removal.
4. A trip assigned in advance reserve status is not eligible for bid line adjustments as provided in Section 25.L. (below), and is not eligible for substitution.
5. If an advance assignment is made in a future block of R-days, the pilot shall be released from R-days in that future block preceding the showtime of the advance assignment. A reserve pilot who is on R-days when an advance assignment is made shall remain responsible for any R-days remaining in his current block.
6. A pilot shall be credited toward leveling upon assignment as provided in Section 4.H.
7. A pilot given an advance reserve assignment shall not be given another assignment that conflicts with the advance reserve assignment.

L. Bid Line Adjustments

1. General
 - a. A pilot shall have the ability to submit for a bid line adjustment through VIPS at any time during the bid period. Submissions for bid line adjustments shall be processed within each type of adjustment (e.g., PMU, make-up, open time trades, etc.) in the order in which they are received. CRS shall notify a pilot via VIPS that his submission has been accepted or

- denied and shall be reflected in open time. A pilot shall be responsible for determining whether his submission has been accepted or denied.
- b. Submissions for open time trips (e.g., PMU, make-up or trip trade), and submissions to drop a trip shall be submitted no later than 0900 LBT on the day before the first affected activity. Submissions to drop, trade or move an R-day(s) shall be submitted no later than 0900 LBT 2 days before the first affected R-day(s). When submitted later than 0900 LBT on the applicable day, such submission may be processed at the Company's discretion.
 - c. A bid line adjustment that would remove a pilot from a trip scheduled for a check ride is prohibited unless waived by the pilot's assistant chief pilot.
 - d. A bid line adjustment is prohibited if it would create a conflict with another scheduled activity (e.g., trip, R-day, training) or if the pilot making such would not be legal to operate another scheduled activity as a result of the bid line adjustment. For purposes of this paragraph, conflicts with R-days shall be determined using the rules set forth in Section 25.F.1.b.
 - e. A pilot shall not submit for an open time assignment that he is not available to operate.
 - f. The Company may limit bid line adjustments or other additional flying if it reasonably projects that the flying would cause a pilot to exceed FAR limitations.
 - g. Reserved.
 - h. A pilot may not trade or drop a trip for which he does not hold trip guarantee.
 - i. A pilot may not be assigned an activity that originates at a base other than his own.
2. Maximum Allowable Open Time
 - a. The Company may deny a pilot's submission for a bid line adjustment that would place a trip(s) into open time in excess of the maximum allowable open time. Maximum open time is defined as two reserves available for every open trip, as described in the letter of agreement entitled Maximum Open Time; provided, however, that the Company may employ a less restrictive formulation of Max Open in lieu of the formulation described in the Max Open LOA.
 - b. The Company may deny a pilot's submission for a bid line adjustment that involves the movement or drop of an R-day(s) if such would exceed the forecasted reserve requirement for that date and reserve period as determined by the Reserve Forecast modeling system.
 3. Dropping Trips and R-days
 - a. A pilot shall have the ability to submit to drop a trip or R-day(s) without pay.
 - b. A pilot may not drop a trip or R-day that is scheduled in whole or in part on the following days (i.e. base days): New Year's Eve, New Year's Day, Thanksgiving Day, Christmas Eve or Christmas Day.
 - c. A pilot who drops a trip or R-day(s) shall be eligible for make-up.
 4. Open Time Priority In Lieu of Substitution (OTP removal code, PMU add code)
A pilot in OTP (as described in Section 25.H.11.) may submit for assignment of trips from open time in accordance with the following:
 - a. He shall remain in OTP status until the close of the final bid period of pay protection, as described in Section 4.N.1. (PMU Trip Pay).

- b. He may submit for a specific trip(s) from available open time, but not for a trip which he rejected as a substitution assignment. The submission shall be processed in the order received among other submissions in OTP status, but ahead of all other open time submissions. This priority is guaranteed only for PMU submissions made prior to 0900 LBT, at least 48 hours prior to the showtime of the identified trip.
 - c. He may submit through VIPS for CRS to list him as available on a certain date(s) for PMU make-up assignment. That PMU make-up submission shall be processed in the order received among other make-up submissions in OTP status, but ahead of non-PMU make-up submissions. This priority is guaranteed only for PMU make-up submissions made prior to 0900 LBT on the day before the specific date for which PMU make-up is being submitted.
 - d. He is not eligible for a PMU assignment that exceeds his OTP eligibility by more than 6 CH.
 - e. If a pilot does not make-up all lost credit hours prior to the expiration of his OTP status, the remaining credit hours shall be available for normal make-up.
 - f. An OTP pilot's eligibility for volunteer shall be governed by Section 25.H.8.
 - g. If a pilot accepts a substitution assignment(s) he is not eligible for OTP.
5. Make-Up (M/U, CMU, MUS, MUV)
- a. A pilot shall have the ability to submit for a specific trip(s) or standby(s) from open time, (as provided in Section 25.G.2.), to make-up eligible credit hours. These submissions, along with trip trades, will be processed in the order received.
 - b. A pilot may submit for an assignment (as provided in Section 25.G.2.), to make-up eligible credit hours.
 - i. His submission shall include the date(s) he is available for a trip or base standby.
 - ii. His submission may include limitations (e.g., no late call, west coast, weekend layover) or may designate a specific assignment, if available.
 - iii. His submission may be withdrawn or modified prior to assignment.
 - iv. If a pilot's make-up submission contains no limitation on the length of assignment, he may be given any make-up assignment that does not conflict with a subsequent assignment on his line.
 - v. A pilot shall be responsible for any make-up assignment that complies with his submission.
 - vi. Unless previously notified of assignment, a pilot shall be available for notification of a make-up assignment beginning 1:30 hours prior to the day on which he is submitting for that assignment or make prior arrangements for notification by mutual agreement with CRS. A pilot submitting for a make-up assignment shall be prepared to show in 1:30 hours unless specified otherwise in his submission. In the case of a base that has a 3 hour reserve report status, the 1:30 showtime limit shall be increased to 3 hours.
 - vii. Submissions for make-up shall be processed in the following order: CMU, M/U, MUS, MUV and AFB.
 - c. Reserved.
 - d. A make-up assignment shall be operated under a single pay code (e.g., one trip could not be half MUV and half MUS).

- e. A pilot is not eligible for a make-up assignment that exceeds his make-up eligibility by more than 6 CH.
 - f. Reserved.
 - g. A pilot entitled to make up an R-day(s) will have an R-day value added to his make-up eligibility for each R-day. He shall make-up that R-day(s) in accordance with Section 25.L.5.a. or L.5.b. (above).
6. Association Fly Back (AFB)
Submissions for AFB shall be administered as provided in Section 25.L.5. (above).
7. Trading With Open Time
A pilot shall have the ability to submit to trade his trip(s) for another trip(s) in open time. The net effect of any trade(s) in a bid period may not increase his BLG, as published, by more than 12 CH.
8. Trading Between Pilots by Mutual Consent
- a. Trading Trips
 - i. A pilot shall have the ability to submit to trade a trip(s) with another pilot. His submission shall state whether it is a credit hour swap or mutual PDO bump.
 - ii. Trades between pilots shall be submitted at least 2 hours prior to showtime of the first affected activity. Submissions after 0900 LBT on the day preceding the first affected activity shall be confirmed through VIPS. Submissions within 2 hours of showtime may be processed at the Company's discretion. Should automatic trip trading become operational, the Company shall process all trip trades submitted at least 1 hour before showtime of the first affected activity.
 - iii. A trip trade between pilots may be processed when received, notwithstanding Section 25.L.1.a. (above).
 - iv. A mutual bump shall be subject to the provisions of Section 25.L.10. (below).
 - b. Trading Blocks of R-Days
 - i. A pilot shall have the ability to submit to trade a full block of R-days with another pilot.
 - ii. If the submitted trade would combine 2 or more blocks of R-days without an intervening day off on either pilot's schedule, the approval of that submission shall be at the discretion of CRS.
 - iii. R-days assumed by a pilot as a result of a trade(s) shall be considered scheduled R-days for purposes of RLG credit and leveling.
 - c. Trading a Block of R-Days with Another Pilot's Trip
 - i. Pilots shall have the ability to submit to trade a full block of R-days and a trip.
 - ii. If the trip and the block of R-days, as traded, would not be preceded and followed by at least 1 day off, then the approval of that request shall be at the discretion of CRS.
 - iii. That trade, if approved, shall be on a PDO basis. The pilot standing the traded R-days shall assume the leveling position of the pilot originally holding the R-days.
9. Trip Pick-Up From Another Pilot

- a. A pilot shall have the ability to pick-up a trip(s) from another pilot with his consent. If the submission meets all contract and legality parameters, the pilot originally assigned the trip shall be removed from the trip (without pay) and is not eligible for make-up. The pilot who picks-up the trip shall have trip guarantee for that trip.
 - b. Submissions for a pick-up trip shall be submitted at least 2 hours prior to showtime. Submissions after 0900 LBT on the day preceding the trip shall be confirmed in VIPS. Submissions within 2 hours of showtime may be processed at the Company's discretion.
 - c. Submissions for a trip pick-up may be processed when received, notwithstanding Section 25.L.1.a. (above).
10. Per Diem Only Bumping (Non-Training).
- a. A pilot shall have the ability to bump another pilot from his trip with that pilot's consent, if the submission meets all contract and legality parameters. Submissions for PDO bumps shall be submitted at least 2 hours prior to showtime of the affected trip. Submissions after 0900 LBT on the day preceding the affected trip shall be confirmed through VIPS. Submissions within 2 hours of showtime may be processed at the Company's discretion. A pilot on R-days may submit to bump another pilot to satisfy pilot qualification requirements (e.g., consolidation, currency), and if such submission is approved, the bumped pilot is released and is not responsible for any R-days. A pilot may be bumped from his trip under this paragraph only if he:
 - i. holds trip guarantee upon assignment for the trip to be bumped;
 - ii. holds the trip to be bumped in reserve status; or
 - iii. is bumped under Section 9.A.2.
 - b. If bumped, the following shall apply:
 - i. The bumped pilot shall be removed from the trip and shall have no further responsibility for such trip.
 - ii. Unless the pilot held the trip in reserve status, he shall earn trip guarantee.
 - iii. If the bumped pilot held the trip in reserve status, he shall earn credit toward leveling and RLG, and shall return to his remaining reserve schedule, if any, following the footprint of the bumped trip.
 - iv. The pilot operating the trip shall earn per diem, international override and overage, if applicable. He shall earn deviation credit for the trip, if applicable, except as provided in Section 9.A.1. (management bump).
 - v. If the pilot assigned the PDO trip is unable to operate that trip due to illness or injury, the scheduled trip guarantee shall be deducted from his sick leave account.
 - vi. If the pilot assigned the PDO trip becomes illegal for his next scheduled trip or R-day, the subsequent activity shall be dropped without pay and he shall be eligible for make-up.
 - vii. If a pilot assigned a PDO trip rejects a substitution trip, the credit hours for the PDO trip shall be deducted from his current BLG/RLG and he shall be eligible for make-up.
11. Moving an R-day(s)
- A pilot shall have the ability to submit to move an R-day(s) within a bid period and that submission shall not be unreasonably denied.

12. Emergency drop

- a. A pilot shall have the ability to submit to drop a trip(s) or R-day(s) due to personal emergency.
- b. An emergency drop shall be submitted to a pilot's assistant chief pilot, or his designee. The assistant chief pilot, or his designee, shall approve or deny the submission after consultation with CRS.
- c. A pilot who drops an activity due to personal emergency shall be eligible for make-up.
- d. A pilot may use his vacation in lieu of drop for personal emergencies.

M. Reserve

1. General

- a. A reserve pilot shall be scheduled to stand R-days only in his base.
- b. A reserve pilot shall not be given an assignment that is scheduled to terminate more than 2 hours into his day off.
- c. If a reserve assignment operationally extends more than 2 hours into a pilot's day off, he shall accrue reserve overage (as described in Section 4.BB.8.b.), and shall have the ability to drop a subsequent R-day, if any, in the current bid period without pay. CRS shall make reasonable efforts to accommodate a pilot's request as to the subsequent R-day to be dropped. Such R-day shall be at the beginning or end of a block of R-days remaining on his line, unless the pilot agrees otherwise.
- d. A trip assigned to a reserve pilot must have a showtime in his RP.
- e. A reserve pilot removed from a trip for the following reasons shall return to his reserve schedule:
 - i. trip canceled; (Section 25.H.2.a.)
 - ii. trip revised to extend more than two hours into his day off, as provided in Section 25.M.1.b.;
 - iii. early show without notice; (Section 25.H.2.c.)
 - iv. weather restrictions; (Section 25.H.2.f.)
 - v. FAR or other governmental authority; (Section 25.H.2.g.)
 - vi. Contract limitations; (Section 25.H.2.h.)
 - vii. Operational conflict; (Section 25.H.2.i.)
 - viii. Duplicate or other assignment error, as defined in Section 25.AA.1.
- f. A reserve pilot who departs his domicile to operate a domestic duty period shall be scheduled for release to a legal rest period not later than 4 hours after the end of his RP. This paragraph shall not apply:
 - i. to a pilot who is released for a legal rest period prior to the showtime of his reserve assignment; or
 - ii. if the reserve pilot is assigned to a duty period consisting exclusively of deadhead.
- g. If a reserve pilot has met or exceeded his RLG, his remaining R-day(s) in the bid period shall be removed without pay consequence.
- h. If a new base is established, the Company shall meet and consult with the Association regarding the feasibility of R-1.5 status in light of reasonable commuting times in the area of the new base, and the possibility of providing hotel rooms for pilots on R-1.5 in case commuting times are especially long or unpredictable.
- i. A reserve pilot released from availability or duty for 24 hours, (e.g., 24 hour or greater layover during a trip, released for international buffer, or day off), is assumed to have received a release for 1-in-7. A reserve pilot, during a

block of R-days, without an assignment must be notified prior to the beginning of any release that is to satisfy 1-in-7. An R-24 pilot who is released for a 1-in-7 will not be required to be available for notification during his 1-in-7 but will be responsible for an assignment placed in VIPS during that period, provided such assignment is posted at least 24 hours prior to showtime.

- j. Upon release for a legal rest period at base from any assignment, a reserve pilot shall be given a minimum rest period of 10 hours prior to the beginning of any subsequent reserve availability or the showtime of any subsequent assignments.
- k. A reserve pilot shall not be hub turned through his base more than 4 times, during a single block of R-days, without his consent. This provision shall not apply to advance reserve assignments or pilots on first fly.

2. Reserve Periods (RP)

- a. Reserve periods may take any of the following forms:
 - i. Reserve Period A (RP-A) is a 12 hour period of time beginning at the start of the day.
 - ii. Reserve Period A+ (RP-A+) is a 12 hour period of time beginning 6 hours after the start of the day.
 - iii. Reserve Period B (RP-B) is a 12 hour period of time beginning 12 hours after the start of the day.
 - iv. Reserve Period B+ (RP-B+) is a 12 hour period of time beginning 18 hours after the start of the day.
 - v. Reserve Period 24 (RP-24) is a 24 hour period of time beginning at the start of the day.
- b. The following shall be published in the bid package:
 - i. RP-24 lines (minimum as provided in Section 25.D.3.e.), and at least one of the following:
 - ii. lines of RP-A, RP-A+, RP-B, or RP-B+.
- c. If, due to additional pilots activating in a position after the bid period package is distributed but before the bid is awarded, an insufficient number of reserve lines have been published, the following shall apply:
 - i. The required number of reserve lines shall be duplicated from the published reserve lines. The Company may duplicate the same reserve line multiple times; and
 - ii. The duplicated reserve lines shall be awarded in seniority order.

3. Availability

a. Report Status

Reserve pilots shall have a report status of R-1.5, R-3 or R-24.

- i. Pilots on R-1.5 status must be given at least 1:30 hours notice prior to the showtime of any assignment. However, an R-1.5 pilot may be given a 1 hour notice prior to showtime if there is no airport standby pilot who could be given the assignment, and the pilot is given late call parking. For purposes of this Agreement, the parking lot in the Flight Operations areas in Anchorage and in the Subic Bay FDA is late call parking. Memphis, and any future bases shall either have designated late call parking or this provision will not apply.
- ii. Pilots on R-3 status must be given at least 3 hours notice prior to the showtime of any assignment.

- iii. Pilots on R-24 status must be given at least 24 hours notice prior to the showtime of any assignment, except:
 - (a) an R24 pilot may be hub turned with less than 24 hours notice; and
 - (b) if an R-24 pilot is performing an assignment, is on vacation or has a 48 hour international duty free buffer during his first availability period, CRS may give the pilot a reserve assignment by placing the assignment in VIPS at least 24 hours prior to its scheduled showtime.
 - iv. An R-24 pilot shall not have his RP changed to a non R-24 period (Section 25.M.3.d.).
 - v. If, due to a shortage of non R-24 pilots, an R-24 pilot is needed in his base for shorter notification, he may be assigned to base hotel standby for a block or a portion of a block of R-days. Any assignment to base hotel standby will be for a minimum of two days and a maximum of four and shall cover the RP for which there is a shortage. An R-24 pilot shall not be assigned to a base airport standby without first having been assigned to base hotel standby.
- b. Assignment of Report Status
 - i. The report status for all reserve pilots in a base shall be published in the bid period package. Pilots shall be scheduled for either R-1.5 or R-3 status for an entire RP block.
 - ii. CRS shall notify a reserve pilot of any change in his report status. If a reserve pilot's report status is changed from R-3 to R-1.5, he shall be provided a minimum of 1:30 hours notice of that change and shall be provided a hotel room.
- c. Notification

A pilot shall be available for notification of an assignment throughout his notification window. During his notification window, a pilot shall either answer calls placed by CRS or return those calls within 15 minutes.

 - i. A pilot's notification window shall begin:
 - (a) 1:30 hours prior to his RP for an R-1.5.
 - (b) 3 hours prior to his RP for an R-3.
 - (c) 24 hours prior to his RP for an R-24.
 - ii. A pilot's notification window shall end:
 - (a) 1:30 hours prior to the end of his RP for an R-1.5.
 - (b) 3 hours prior to the end of his RP for an R-3.
 - (c) 24 hours prior to the end of his RP for an R-24.
- d. Change of RP Status

CRS may change a pilot's RP (from or to A, A+, B, B+) consistent with the following. The change of a pilot's RP shall not interfere with his scheduled days off.

 - i. CRS may change a pilot's RP status by providing notice and a duty free period of at least 18 hours, measured from the beginning of the pilot's original RP or his new RP, whichever is earlier. A pilot may waive the 18 hour required notice.
 - ii. From the point of the RP status change, all R-days remaining in that block shall have the same RP.

- iii. If the change of a pilot's RP conflicts with a scheduled day off, the portion of the RP in conflict with the day off shall be removed with pay. If this occurs, a pilot shall receive 3 CH toward his leveling.
 - iv. CRS may assign a reserve pilot 2 trips on consecutive R-days with showtimes in different RPs if the pilot is assigned the second trip at least 18 hours prior to showtime of that trip and:
 - (a) the pilot remains on duty between the trips; or
 - (b) the pilot has a legal rest period of at least 10 hours between trips and the second trip contains a layover.
 - v. If a reserve pilot is assigned 2 reserve trips with showtimes in different RPs, his RP for the balance of the block of R-days shall be the RP applicable to the second trip, unless his RP subsequently is changed as provided in Section 25.M.3.d. (this paragraph).
 - vi. CRS shall notify a pilot of changes of his RP through VIPS.
 - vii. If a pilot's RP is changed from any RP to A or B+, as provided in Section 25.M.3.d., the pilot shall receive 1:30 CH disruption pay in addition to RLG.
 - e. Release Criteria and Provisions

An RP-A, A+, B or B+ reserve pilot who is given an assignment in his next RP shall be released until the showtime of that assignment. An RP-24 reserve pilot who has been given an assignment shall be released until the showtime of that assignment. If the period between release and showtime is long enough to constitute an FAR legal rest period, that period shall be considered a legal rest period.
 - f. Post Duty Availability

A reserve pilot shall contact CRS at the completion of any assignment that terminates within his R-day. Such contact shall be within 30 minutes after block-in if the assignment was a trip or within 30 minutes after the conclusion of any other assignment (e.g., simulator). If the pilot is not given another assignment for that duty period, he shall be released for a minimum rest period of 10 hours.
 - g. Reduced Availability Situations

A reserve pilot shall be available for assignment notification during his notification window, except as follows:

 - i. CRS may release a reserve pilot for a specified period of time during a reserve period.
 - ii. If a reserve pilot has been given an assignment, he is not required to be available prior to showtime for that assignment in the RP in which that assignment is scheduled to begin.
4. First Fly
- A reserve pilot shall have the ability to be assigned trips on a "first fly" basis for an R-day(s) by indicating a first fly election through VIPS no later than 0900 LBT two days prior to the beginning of the first R-day to which first fly will apply. A pilot's first fly election shall be effective until withdrawn. A pilot may withdraw his first fly election, through VIPS, prior to 0900 LBT one day prior to the effective date of the withdrawal. Any first fly assignments already made shall remain assigned.
5. Reserve Leveling

- a. A reserve pilot's leveling position at the beginning of a bid period shall be zero.
 - b. A reserve pilot shall accrue leveling credit as provided in Section 4.
 - c. CRS shall maintain the following reserve assignment lists for each crew position:
 - i. RP-A
 - ii. RP-A+
 - iii. RP-B
 - iv. RP-B+
 - v. RP-24
 - d. The reserve assignment lists shall be updated, and may be viewed by pilots in VIPs, as provided in Section 25.A.7.
 - e. Reserve assignments shall be made in order of reserve leveling except as provided otherwise in Section 25.K., (advance reserve assignment), and 25.M.6., (reserve open time assignments).
 - f. A pilot who completes training and has R-day(s) on his custom line shall begin the R-day(s) at zero leveling.
6. Reserve Assignment Options
- Reserve assignments shall be made as follows:
- a. Trips in excess of 50 hours TAFB may be assigned based upon the maximum utilization of available R-days. "First fly" elections shall be given priority consideration in the assignment of those trips.
 - b. Other reserve assignments shall be made in leveling order as follows:
 - i. The reserve pilot with the lowest leveling position within the RP (and sufficient R-days to perform the assignment) shall be assigned first (i.e., a pilot will not be skipped to optimize the use of another pilot's reserve days remaining, except as provided in Section 25.M.6.a).
 - ii. If two or more pilots have the same leveling position, assignments shall be made in reverse seniority order.
 - iii. A reserve pilot shall be given the reserve assignment with the highest credit hour value for which he is legal at the time of assignment.
 - c. Notwithstanding Section 25.M.6.b., (leveling order):
 - i. Reserves who elected the "first fly" option as provided in Section 25.M.4. (above), shall be assigned in seniority order, prior to pilots who have not elected that option, until they have accrued 75% of RLG. A "first fly" reserve pilot who has met or exceeded 75% of RLG shall thereafter be assigned without regard to "first fly." The 75% limitation shall not apply to R-days that are part of a mini-RLG.
 - ii. The Company may assign a reserve outside of leveling order to satisfy FAR minimum block hour requirements following training for a new crew position, and pilot proficiency requirements. The pilot shall also have the ability to request a PDO bump to satisfy such requirements, as provided in Section 25.L.10.a. Such requests shall be granted if CRS determines that the pilot is not on target to meet proficiency or consolidation requirements and that the trip requested is an appropriate means of addressing that issue.
 - d. [Reserved]
 - e. If a reserve pilot shows for his assignment and is removed, the following shall apply:

- i. he may be assigned to another trip, assigned to a base airport standby, or released for a legal rest period.
- ii. If he is assigned a base airport standby, his duty period shall begin at showtime of his original reserve assignment, or the beginning of the base airport standby, whichever is earlier. If he is not given an assignment during the standby period, he shall be released until his next scheduled activity.
- f. If a reserve pilot returns to base from a trip, and does not have another assignment in that duty period, he may either be assigned to another trip that falls within his scheduled duty limits, or released for a legal rest period.
- g. To facilitate reserve assignments, CRS may remove 1 R-day from the beginning or end of a subsequently scheduled block of R-days in the same bid period and add that day to the end of a reserve pilot's current block of R-days in order to complete a reserve assignment. No more than 1 R-day per line, per bid period, may be moved without a pilot's approval. A reserve trip must begin on an originally scheduled R-day.
- h. A reserve pilot may be offered an assignment scheduled to extend up to 24 hours beyond the end of his block of R-days. The acceptance of such an assignment is at the pilot's option. If the pilot accepts the assignment, the portion of the trip that extended beyond his scheduled block of R-days shall be compensated as provided in Section 4.H.9., (150% calculated like carryover trip), and the pilot's responsibility for his remaining R-days on his reserve line shall continue.

N. Volunteer (VLT)

1. Volunteer Submissions

A pilot may submit for a VLT assignment through VIPS.

- a. A VLT submission shall include the date(s) the pilot is available for a VLT trip or base standby.
- b. A VLT submission shall have the ability to include limitations (e.g., no late call, west coast, weekend layover) or may designate a specific assignment, if available.
- c. A VLT submission may be withdrawn or modified prior to assignment.
- d. A pilot shall be available for notification of a VLT assignment beginning 1:30 hours prior to the day on which he is submitting for a VLT assignment. A pilot submitting for a VLT assignment shall be prepared to show for an assignment in 1:30 hours unless specified otherwise in his VLT submission.
- e. If a pilot's VLT submission contains no limitation on the length of assignment, he may be given any VLT assignment that does not conflict with a subsequent assignment on his line.
- f. A pilot shall be responsible for any VLT assignment that complies with his VLT submission.
- g. A pilot who holds a pay only line, except a pilot in ITU, may not accept a VLT trip or standby during that bid period.

2. Volunteer Assignment

VLT assignments shall be made during the open time assignment window provided in Section 25.G.3., as follows:

- a. VLT submissions prior to 0900 LBT shall be considered before those submitted after 0900 LBT.

- b. VLT assignments shall be made based on the number of VLT credit hours earned in the preceding 180 days. Pilots with the least number of VLT credit hours shall be assigned first. If 2 or more pilots have earned equal VLT credit hours, the most senior pilot shall be assigned first.

- c. A pilot's submission for VLT assignment on multiple days shall be effective unless withdrawn by the pilot.

Example:

A pilot submits for VLT on 4 consecutive days, and is assigned a VLT trip on days 1 and 2. The pilot remains eligible for VLT assignment(s) on days 3 and 4 unless he changes his submission.

3. Volunteer Limitations

The following limitations apply to VLT assignments:

- a. A pilot shall not submit for a VLT assignment on a day(s) on which he has dropped a trip, however, he shall have the ability to fly a DRF trip.
- b. A pilot shall not be given a VLT assignment that conflicts with another scheduled activity (e.g., trip, R-day, training, vacation) or that he is not available or legal to operate.
- c. The Company may limit a pilot's VLT flying if it anticipates that he would exceed FAR or contract limitations for future scheduled duty.
- d. A pilot's eligibility for a VLT trip that operates during a portion of his substitution window shall be governed by Section 25.H.8. (above).
- e. Reserved.
- f. A VLT is not eligible for substitution.
- g. When a VLT assignment is revised prior to block-out and does not meet the pilot's stated limitations in Section 25.N.1.a. and N.1.b., such VLT pilot shall be removed from the assignment and shall be compensated as provided in Section 4.Q.2.

4. Advance Volunteer Assignment (AVA)

The Company may advance assign a VLT trip prior to the open time assignment window subject to the following:

- a. AVA shall be available and assigned to all eligible pilots beginning 7 days prior to showtime for that assignment, based on the reserve forecast.
- b. A trip is eligible for AVA assignment only if the trip has a showtime:
 - i. between Thanksgiving day and December 31; or
 - ii. during a bid period in which the Company has requested voluntary vacation cancellations in the pilot's crew position; or
 - iii. during a bid period in which the Company has involuntarily canceled a vacation in the pilot's crew position.

O. Draft (DRF)

- 1. CRS shall offer a DRF assignment in reverse seniority order to pilots who are legal and available for that assignment.
- 2. The first pilot offered a DRF assignment shall be the next pilot senior to the last pilot who accepted a DRF assignment.
- 3. A pilot must accept or reject a DRF assignment at the time it is offered.
- 4. A pilot shall have the ability to fly DRF at any time during his time off (including during the time of a dropped trip or refused substitution).
- 5. A DRF pilot is not eligible for substitution.

6. When a DRF assignment is revised prior to block-out and would otherwise be eligible for substitution, such DRF pilot shall be removed from the assignment and shall be compensated as provided in Section 4.Q.2.

P. Management Assignment

If an open time trip cannot be assigned to a line pilot as provided in Section 25.G., except for substitution, that trip may be assigned to a management or supervisory pilot during the period of 9 hours prior to showtime for a domestic trip or 13 hours prior to showtime for an international trip.

Q. Base Replacement Assignment

1. The Company may remove a pilot from his assigned trip and assign him as a base replacement to another trip when CRS determines that the assignment of that trip as provided in Section 25.G., would cause a departure delay.
2. When it is necessary to assign a base replacement trip, CRS shall identify the pilots in the applicable crew position who are appropriate for that assignment. If time permits, a base replacement trip shall be offered to those pilots in seniority order. If time does not permit, the assignment may be offered to 1 or more of those pilots in any order. A pilot may accept or reject a base replacement trip; provided, however, that when necessary, the Company may involuntarily assign that trip.
3. If a pilot's base replacement trip is canceled, he shall be reassigned to his original trip, if available, and if not, he shall be released.
4. If a reserve pilot is reassigned under the circumstances described in Section 25.Q.1. (above), he shall not be considered to be on a base replacement trip.

R. Field Emergency Assignment

1. The Company may offer a field emergency assignment to a pilot not currently on a trip to replace another pilot who is unable to complete his trip in progress, if that pilot cannot be replaced as provided in Section 25.G.
2. A pilot shall accept or reject a field emergency assignment at the time the assignment is offered.
3. A field emergency pilot shall be assigned a trip that is constructed in the following way. The trip shall:
 - a. originate at his base;
 - b. position the pilot to the aircraft's location;
 - c. operate the required flight(s); and
 - d. return to the pilot's base.
4. A field emergency pilot shall be provided his choice of business jumpseat or an appropriate class of deadhead travel, as provided in Section 8.A.3., to return to his original point of departure at the completion of the trip.

S. Trip Revision

1. The Company may revise a pilot's trip at any time in accordance with other provisions of this Agreement.
2. Trips in the following pay codes are eligible for disruption compensation: TRP, AST, SOF, SWP, M/U, MUV, MUD, MUS and CIA. If a pilot's eligible trip results in a disruption, the pilot shall receive disruption pay, as provided in

Section 4.W., in addition to all other compensation for that trip. The pilot must operate the disruption in order to receive the corresponding pay.

a. Landing Disruption

A disruption(s) is created if a trip is revised such that the number of actual landings during the trip exceeds the number of landings scheduled when the trip was awarded/assigned. Each additional landing shall result in a separate disruption. For purposes of this paragraph, landings are counted if:

- i. the pilot was a member of an operating crew during the landing (i.e., not deadheading or jumpseating); and
- ii. the landing did not occur in any of the following circumstances:
 - (a) as the result of a diversion due to a maintenance problem on the aircraft the pilot was operating or weather that prevented the pilot from landing at the scheduled destination;
 - (b) during a standby sequence;
 - (c) during a duty period that was paid as an extra duty period as provided in Section 4.Y.;
 - (d) as the result of a deadhead at the end of a trip being revised to operate back to base. If this occurs, the first two landings resulting from that change shall not count toward the actual landing total; or
 - (e) on a flight identified in the bid pack as a sweep flight. For purposes of this paragraph, no more than 25% of the flights in a particular bid pack (e.g., 727 MEM), may be designated as sweep flights.

b. Duty Period Disruptions

A duty period is disrupted if one or more of the following events occurs:

- i. a trip was originally scheduled with one layover, and is rescheduled so that the trip has no layover (i.e., trip with one layover rescheduled to an out and back).
- ii. a deadhead at the end of the trip is deleted (i.e., trip revised to operate to base instead of deadhead to base) on a trip that was originally scheduled with revenue flights.
- iii. a standby of any length is added immediately prior to an originally scheduled deadhead at the beginning or end of a trip.
- iv. a standby period is added to a duty period for reasons other than maintenance or weather (e.g., snow, ice).

c. Layover Changes

A disruption for a trip occurs if more than half of the layover cities are changed. A layover change is rescheduling a layover to occur in a different city, as determined by the airport identifier, except that the following are not considered changes of a layover city:

- i. A change between hotels in the same location; or
- ii. A change between cities that are determined by the SIG to be co-terminal (e.g., MIA, FLL); or
- iii. Cancellation of a layover (e.g. trip with one layover becomes an out and back with no layover (this is a duty period disruption under Section 25.S.2.b.i.), or a multiple layover trip has fewer layovers due to returning to base early).

Note: The following formula is used for determining layover changes.

Determining whether more than 50% of the layovers have changed (for purposes of both Section 25.S.) will be determined in accordance with the following methodology:

1. y = number of scheduled layovers when the pairing was awarded/assigned to the pilot.
 2. x = number of scheduled layover locations that can not be paired with actual layover locations (matching location only, not date or time).
 3. If the trip is shortened, layovers that were scheduled to occur after the actual end of the trip are counted as if they occurred as scheduled.
 4. Layovers that were scheduled to occur during a standby sequence are counted as if they occurred as scheduled, regardless of how the trip actually operates.
 5. If $x/y > 50\%$, then a disruption occurs.
3. The Company shall make reasonable efforts to return a disrupted pilot to his original trip at the earliest opportunity.

Example: A hi-mins pull from IND hub turns will be returned at the earliest opportunity to the Captain's original flight sequence. International point to point flight sequences ordinarily will not be rebuilt, nor will a deadhead be inserted to return a pilot to his original trip

T. FAR Extensions

If a pilot's duty period is extended beyond 1:30 hour operational limits (as provided in Section 12.C.5., or 12.D.6.), by the Vice President, Flight Operations, or his designee, or the pilot voluntarily extends beyond such limits as provided in Section 12.D.6.b.ii., such pilot shall receive FAR extension pay in addition to all other compensation as provided in Section 4.X. (FAR Extension Pay).

U. Bumping for Training

1. A pilot may be removed from his trip, or a portion thereof, for required training of another pilot. He shall be notified of his removal as far in advance as possible, but not later than 12 hours prior to showtime. He may waive such minimum notice.
2. If a pilot is bumped from his entire trip to facilitate the training of another pilot, he shall be removed from the trip, shall have no further responsibility for that trip and shall earn trip guarantee. Any deadhead monies associated with the removed trip shall remain intact.
3. A pilot may be bumped from a portion of his trip to facilitate the training of another pilot, consistent with the following:
 - a. His original trip shall be revised to contain the portion of that trip for which he is still required, based on standard trip construction practices; and
 - b. He shall earn trip guarantee for his originally scheduled trip and shall earn per diem and international override, if any, for the revised trip.

Example: If a duty period(s) is normally constructed with an RFO (e.g., duty periods over 7:35 block hours, SYD-SFS, etc.) and a First Officer is

bumped to facilitate IOE training, the First Officer will be kept on the RFO leg(s), because the student must leave the controls when the LCA leaves the cockpit to rest.

V. Extra Duty Period

Trips in the following pay codes are eligible for extra duty period pay: TRP, AST, SOF, SWP, M/U, MUV, MUD, MUS and CIA. If the actual number of duty periods operated in a pilot's eligible trip exceeds the number of duty periods scheduled when the pilot was awarded the trip, the pilot shall be compensated extra duty period pay (3:30 CH at his normal pay rate for each additional duty period), in addition to all other compensation, as provided in Section 4.Y.

W. Special International Bid Award (SIBA)

1. When regulatory constraints or operational considerations in a foreign location, (e.g., availability of entry visas, training considerations), merit the maintenance of a limited number of qualified pilots dedicated to certain specified international flying, the Company may establish a SIBA in the Memphis pilot domicile from which to conduct that flying.
2. A SIBA shall be located at the Memphis pilot domicile and shall consist of the specified international flying constructed into regular, secondary and reserve lines. SIBA lines of flying shall consist primarily of the specified international flying; however, limited amounts of other flying may be used to ensure proper balance in line construction and pay parameters.
3. Pilots bidding for the SIBA must be current and qualified, have no weather qualification restrictions and hold the crew position in the Memphis pilot domicile designated by the Company for that specified international flying. Bid awards to the SIBA shall be determined in seniority order based on the seniority of the pilots in the Memphis bid pack for the designated aircraft type. If a SIBA remains unfilled, it may be assigned to the most junior qualified pilot holding the appropriate crew position. An inverse assignment shall be for the duration of the posted SIBA. A pilot shall not be inversely assigned to a SIBA more than once in any 14 month period unless all more senior pilots eligible to bid for the SIBA have also been inversely assigned to the SIBA.
4. Qualified pilots who are awarded a SIBA shall be obligated to bid and fly in that SIBA for up to three consecutive bid periods. SIBA lines shall be awarded in seniority order among pilots in the SIBA.
5. Any special training required for the SIBA flying, (e.g., ground school, line familiarization), shall be accomplished before or during the first trip of the first bid period associated with that SIBA, as scheduled by the Company.
6. International override and per diem associated with a SIBA shall be paid in accordance with Sections 3 and 5, and shall accrue on a trip by trip basis.
7. A pilot awarded a SIBA, who bids on and is awarded a vacancy in another crew position, shall be released from his SIBA award during the bid period(s) in which his training for the vacancy award occurs.

X. Duty in the Uniformed Services (as defined by USERRA) of less than a full bid period

1. A pilot whose absence is less than a full bid period and is the result of uniformed service shall be governed by USERRA and its attendant regulations. Under those regulations a pilot is "strongly encouraged" (32 CFR 104.6 (a)(1)) by the Department of Defense to provide advance notice in writing to the Company of pending uniformed service. Notice by a pilot to the Company about uniformed service obligations should be addressed to the pilot's immediate manager (assistant chief pilot).
2. A pilot whose service period conflicts with an already scheduled flight activity shall have those activities dropped without pay and eligible for make-up. B-plan contributions shall be made to the pilots for service period conflicts as if those hours were flown by the pilot.
3. A pilot may use available vacation CHs to cover the scheduled CHs in conflict with his service, provided such use does not create a deficit in the pilot's vacation bank.
4. The Company and Association's Military Affairs committee shall endeavor to work cooperatively to minimize and resolve issues involving pilots, their service in the uniformed services and their use of military leave.

Y. Jury Duty Absence

1. When a pilot receives notice pertaining to jury duty, he shall notify the Regional Chief Pilot, or his designee, and provide him with a copy of that notice, as soon as practicable. When warranted by operational needs, the Company may request the appropriate authorities to defer or establish an alternate date(s) for a pilot's jury duty.
2. The Company shall pay a pilot based on the value of each scheduled trip day or R-day missed during the period of jury service, beginning with the first day of government compensated jury service and ending with the last day of government compensated jury service. If a pilot is removed from a multiple day trip, the pilot shall be eligible for substitution for the portion of the trip not in conflict with jury duty. Jury duty shall include 1 day traveling to and 1 day traveling from jury duty if a pilot is assigned to an FDA location.
3. A pilot who fails to provide the notice required by Section 25.Y.1. (above), shall not be eligible for Company jury duty pay protection.
4. Once notified of an FDA assignment, if a pilot is called to jury duty and a potential conflict is created by that duty, the Company may advise the appropriate governmental authorities of his situation and seek for him to be excused from jury service.
5. In jurisdictions where a juror is required to stay in his city and call jury administration authorities daily to be available for jury assignment, a pilot shall be eligible for jury duty pay protection provided the pilot provides his RCP/ACP with notice and a copy of his jury duty service notice, with the call-in dates listed, within 18 calendar days from the original notice of jury service (measured from the date of postmark).

Z. Bereavement Absence

1. In the event of a death in a pilot's immediate family (spouse, child, parent, sister, brother, father-in-law, mother-in-law, grandparent, or grandchild, including half and current step relations), the pilot, after notifying the Company

of the decedent's name, address, relationship to the pilot, and date of death, shall receive bereavement absence with pay for a maximum of 3 consecutive days. The 3 days shall begin within 7 days after the date of death. Pay for bereavement absence shall be as provided in Section 4.I.8.c.

2. Upon request, a pilot based in an FDA location shall receive an additional two days of bereavement absence without pay for the purpose of travel.
3. A pilot may receive additional days for bereavement absence, with the approval of his Assistant Chief Pilot, by using available vacation, or by dropping trip(s)/R-day(s) eligible for make up.

AA. Duplicate or Other Assignment Error

1. A duplicate or other assignment error occurs if:
 - a. a pilot is inadvertently not given an assignment to which he was entitled; or
 - b. a pilot is notified of an assignment, through VIPS or contact with CRS, to which another pilot was entitled; or
 - c. multiple pilots are given the same assignment.
2. In case of a duplicate or other assignment error, the following shall apply to the pilot who should have been given the assignment:
 - a. If it is feasible, such pilot shall be given the assignment to which he was entitled.
 - b. If the assignment is not given to the pilot who should have received it, (e.g., time constraints do not permit reassignment), the credit hours from the assignment shall be eligible for compensatory make-up.
 - c. If it is not possible to determine which pilot should have received the trip (e.g., time does not permit the necessary research), then the senior pilot shall be offered the choice of performing the assignment, or having the credit hours for the assignment deposited into his compensatory make-up bank.
3. In case of a duplicate or other assignment error, the following shall apply to the pilot, if any, who received the assignment in error.
 - a. If operational circumstances permit, such pilot shall be removed from the assignment and it shall be reassigned to the pilot who should have received the assignment, as provided in Section 25.AA.2.a. (above).
 - b. If the pilot removed from the trip held trip guarantee for the trip, and received notice of the assignment, through VIPS or contact with CRS, he shall be eligible for compensatory make-up for the credit hours removed due to assignment error.
 - c. If the pilot removed from the trip did not hold trip guarantee for the trip, his entitlement to showpay shall be determined in accordance with other provisions of the Agreement.
4. Substitution Election
Notwithstanding the above, if, as a result of a duplicate or other assignment error, a pilot is removed from a trip for which he held trip guarantee, or does not receive an assignment for which he would have held trip guarantee upon assignment, the pilot may elect to be placed in substitution in lieu of having credit hours deposited into his compensatory make-up bank. Any such election must be made through direct contact with CRS, when the pilot first learns of the error.

5. Limitations

- a. Section 25.AA shall not apply to pilots in substitution or reserve status.
- b. Section 25.AA. shall be applied one time for each qualifying error. If a single assignment error results in several pilots receiving different trips than they would have received but for the error, the provisions of this paragraph only apply to the pilot who received the first trip in error, and the pilot who was denied the first trip due to the error.

6. Compensatory Make-Up

- a. A pilot shall have the ability to submit for a compensatory make-up assignment in the same manner as for regular make-up assignments, as provided in Section 25.L.5.
- b. A pilot is not eligible for a compensatory make-up assignment that exceeds his compensatory make-up eligibility by more than 6 CH.
- c. Compensation for compensatory make-up shall be as provided in Section 4.DD.

BB. Scheduling Improvement Group (SIG)

A. Statement of Intent

The parties agree that the construction of the pairings and lines each month can immensely affect both the Company and the pilots. The purpose of the SIG is to provide, through joint participation and cooperation, a process that promotes, to the greatest extent possible, a reasonable balance between the following competing interests of both parties.

- 1. For the Company, the efficiency and productivity of the pairings impact operational safety, reliability, cost, and business competitiveness that are critical for proper system and operational coordination. The flight pairing and line construction must be managed and maintained within acceptable financial and operational limits.
- 2. For the Federal Express pilots, flight pairings and lines represent an important factor in their work environment, including the promotion of a safe and effective flight operation. Pairings and lines also contribute, along with seat position, seniority and work effort to a pilot's income opportunities. A pilot's work schedule and the coordination of that work schedule with other flight, travel, and operational responsibilities can impact a pilot's ability to operate an aircraft safely.

B. Composition of SIG

The SIG shall consist of 4 members. The Company shall select two representatives, one of whom shall be a seniority holding member of Flight Management, and shall designate a SIG Chairman from the two representatives. The Association's two SIG members shall be the MEC Scheduling Committee Chairman and Vice-Chairman or other line pilots designated by the Association.

C. Responsibilities of the SIG

- 1. Oversee Monthly Pairing and Line Construction Process
 - a. Pairing Construction

The SIG shall ensure that the pairings and lines are constructed, through coordination of the PSIT with CRP specialists. The Crew Planning department shall build the pairings. The SIG shall have oversight to ensure there is a mutually effective avenue for input into the pairing construction process between the PSIT and CRP Specialists.

i. Manage Pairing Generation

- (a) The SIG shall work with the Company to produce and develop the parameters that are input into the pairing generator. The Company and the SIG shall work jointly to utilize and manage pairing generation to produce safe, legal and reliable trips that are both flyable in terms of quality of life and cost effective.
- (b) If the Company develops or purchases software including new or different functions for use in pairing generation, the Company shall notify the Association SIG members in writing, at least 45 days prior to using such software in the pairing generation process. The Company shall take input from the Association SIG members regarding the application of such software. The Association SIG members may dispute new functions.
- (c) Upon notification by the MEC Scheduling Chairman, the Company shall advise the Association SIG members of significant changes in the settings of existing functions that led to a particular solution.
- (d) Within 30 days after the effective date of the Agreement, the company shall provide the Association SIG members with a list of each function used in pairing generation and a description of its purpose.

ii. Pairings Conference Call

The pairings conference call shall provide the opportunity for PSIT and the Association SIG members' input of needed repair and design changes. The MEC Scheduling Chairman will designate a lead PSIT member for each base (or at the election of the MEC Scheduling Chairman, each equipment type), who shall be the primary spokesperson for his subgroup on the conference call. The pairings conference call shall include:

- (a) the SIG members, or their designees;
- (b) the participating members of the PSIT and Reviewers, as designated by the MEC Scheduling Committee Chairman; and
- (c) appropriate Company employee(s) involved in pairing and line construction.

iii. Pairing Variety

The Company recognizes that having an assortment of pairing lengths, (e.g., 1 day, 2 day, 3 day, 4 day and longer pairings), facilitates trip trading and provides a variety of choice in regular lines. While pairing solutions inevitably change along with the business, the Company will ensure that, from the perspective of the overall FedEx Flight Operation, there is a selection of trip lengths available for pilots to bid and fly (e.g., some trip lengths may only be available in certain fleets and bases and not others, etc.).

b. Line Construction

The SIG shall manage the PSIT participation in the line construction process.

c. Evaluation Criteria

The SIG shall evaluate both pairings and lines with regard to their impact on safety, (e.g., consideration of circadian rhythm disruptions, compounding effects of fatigue, etc.), reliability, reasonable crew desires and cost effectiveness.

e. Bid Pack Production Timeline

Unless otherwise agreed by the MEC Scheduling Chairman and the SIG Chairman, or unless prevented by circumstances beyond the control of either party, the following timeline shall be observed for the construction of the bid period package. Target dates and “Not Later Than” (NLT) dates are measured from the target date for publication of the bid period package:

- i. The timeline for delivery of the preliminary pairings to the PSIT and reviewers shall be:
 - (a) Target: 13 days
 - (b) NLT: 11 days
- ii. The timeline for the pairings conference call shall be:
 - (a) Target: 8 days
 - (b) NLT: 7 days.
- iii. The timeline for the delivery of the final pairings to the PSIT and reviewers
 - (a) Target: 6 days
 - (b) NLT: 4 days
- iv. The timeline for the publication of the bid period package shall be:
 - (a) Target Day 0
 - (b) NLT Day +1

f. Management of SIG Parameters

The SIG shall work to ensure that the collection of SIG parameters are effective in guiding pairing generation so that the automated solutions further the goals for the SIG process as outlined in [reference for paragraph A]. To facilitate this process, there shall be two types of SIG parameters—hard parameters and soft parameters, both of which are applicable in the bid period package construction process.

- i. The Company must apply hard parameters in the bid pack construction process unless the Vice President, Flight Operations and the MEC Chairman agree otherwise in writing. Any such agreement may contain conditions and/or limitations, as mutually agreed between the V.P. and the MEC Chairman.
- ii. The Company may override a soft parameter(s), provided it gives at least 45 days written notice, prior to the delivery of the preliminary pairings, of its intent to do so and the reasons therefore. This notice shall be sent to the MEC Scheduling Chairman. The Association may dispute the Company’s decision via the VP/MEC Chairman track for resolution of disputes as described in paragraph

G. Other soft parameters may be added by agreement of the Association and the Company.

2. Manage the Pilot Scheduling Improvement Team (PSIT)

a. Composition of PSIT

A primary PSIT member participates directly in the bid period build process and is compensated as such in any given bid period. A back-up PSIT member is a fully trained member assisting the primary(s) in a given bid period through trip review and conference call participation. The roles are rotational and are scheduled by the MEC Scheduling Committee chairman. PSIT members shall be line pilots selected by the Association with the consent of the Company, which shall not be unreasonably withheld.

b. Number of PSIT members

The number of primary PSIT members per base shall be predicated on the crew position with the most lines and on the line count for three consecutive bid periods. There shall be:

- i. 1 primary PSIT member if the number of lines is 100 or less;
- ii. 2 primary PSIT members if the number of lines is between 101 and 350;
- iii. An additional primary PSIT member for each increment of 250 lines (e.g., the third PSIT member is added at 351 lines, the fourth is added at 600 lines, etc.); and
- iv. There shall be one back-up PSIT member for each base, which shall be increased by one for each 300 lines, measured in the same manner as for primary PSIT members.

Example: Suppose there are 280 captain lines in the Memphis MD-11 base and 320 first officer lines in that base. The number of back-up PSIT members is 2, since the number of lines is more than 300. When the number of MEM11 F/O lines reaches 351 for three consecutive bid periods, the number of primary PSIT members assigned to the MEM 11 base shall increase to 3.

c. Duties of PSIT

- i. The PSIT shall report to the SIG and shall perform its duties consistent with the goals outlined for the SIG/PSIT process, as set forth in [reference for paragraph A].
- ii. The PSIT shall participate each bid period in the conference call and other joint meetings called to provide constructive input into trip and line construction. Such input shall include, but not be limited to, pilot fatigue issues, weather anomalies, factors which cause variations in actual versus scheduled duty times, air traffic control delays, and other operational considerations related to the flight schedule.
- iii. The PSIT shall provide the SIG and flight management with constructive feedback received from line pilots with regard to trips and lines for the purpose of performing the functions within the purview of the SIG/PSIT.

3. Coordinate Cross Divisional Cooperation in Schedule Construction

a. Scope of Required Coordination

The construction of the monthly flight schedule is influenced by numerous groups within the Company. Promoting the closest practical coordination between the core groups responsible for the final airline schedule is essential to accomplishing the goals stated in [reference for paragraph A].. The groups most directly involved in affecting the published flight schedule are: Airline Scheduling, Crew Resource Planning, Flight Management, GOC, CRS; Aircraft Acquisitions, Charter Operations and Flight Safety.

- b. Quarterly Cross-Sectional Meeting
 - i. To facilitate cooperation between these different areas of the Company which impact pilot schedule construction, and to promote a greater level of mutual understanding, unless otherwise agreed by the MEC Scheduling Chairman and the SIG Chairman, the parties shall meet each calendar quarter with designated representatives from each of the above areas to review, discuss, and share information in an attempt to foster a better understanding of the problems faced by both the Company and the pilots. The SIG Chairman will conduct the meeting. To the greatest extent possible, this group will mutually resolve concerns about flight schedules. At this quarterly meeting, the parties shall also discuss any upcoming changes that are likely to impact the future quarter's flight schedules, so that problems and disruptions accompanying the changes in constructing future flight schedules can be anticipated and minimized.
 - ii. Unless otherwise agreed by the MEC Scheduling Chairman and the SIG Chairman all SIG members shall attend and participate in the quarterly cross sectional meetings and shall work together to recommend jointly to flight management ways in which future schedules can be improved or adjusted. Recommendations to Flight Management shall be in writing and approved by all members of the SIG.
- 4. Participate in Development of New Software/Hardware

The SIG shall have regular input into the process of purchasing or developing any new software or hardware that will be used to construct pairings and/or lines. Additionally, if the Company modifies computer systems that pilots use to interface with CRS or CRP (e.g., display of reserve leveling lists, display of open time, input screens, etc.), the SIG shall have input into such modifications.
- 5. Communications

General communications to the crew force about the SIG activities and its accomplishments shall be mutually agreed to and jointly reviewed by the Company and the Association before publication.
- 6. Provide SIG Input and Feedback on Ancillary Issues

The MEC Scheduling Chairman shall have the ability to provide input into the percentage of credit hours left in open time to facilitate trip trading, and into the process for constructing reserve and secondary lines. The MEC Scheduling Chairman shall also have the ability to provide feedback regarding any revisions or the creation of flying outside the bid pack process.

D. Access to Information and Confidentiality

1. Flight Operations Plans and Analysis shall provide all members of the SIG such information in the Company's possession, as mutually agreed between the Company and the SIG, which is necessary to perform the SIG's tasks. At a minimum, this information will include the following data:
 - a. A daily report of all trips that exceeded the operational on-duty or block limits, including trip number(s) and the reasons for the extension(s).
 - b. A bid period report of all trips that exceeded the scheduled on-duty or block limitations, including, at a minimum, the trip numbers.
 - c. A bid period report that identifies trips flown by number, frequency of occurrence, CH value and assignment code. This information shall be available only on Company property unless otherwise agreed by the Vice President, Flight Operations or his designee.
 - d. Sick leave utilization by crew position, for each bid period.
 - e. Reserve utilization by reserve period type, by crew position, for each bid period.
 - f. Volunteer and Draft incidence by crew position, for each bid period.
 - g. actual block hours by crew position, for each bid period.
 - h. actual credit hours by crew position, for each bid period.
 - i. block hour distribution by crew position, for each bid period.
 - j. Revision and x-pairing report. The Company shall work to automate a report that includes the first and last revision of every trip that is revised, or every x-pairing that is built, beyond agreed upon thresholds. In the meantime, the Company shall continue to deliver the report in its current form.
 - k. a report, by occurrence, detailing the reason for and the frequency of any deadhead on a company aircraft, chartered jet carrier, Company corporate business jet aircraft or on a scheduled U.S. certificated air carrier operating under FAR Part 135. All members of the SIG shall be notified of the reasons for any action by the end of the next business day.
2. The SIG, PSIT and reviewers recognize that they may be entrusted with information not generally made available to line pilots, or to the public, that constitutes confidential information, in which the Company has a significant and valuable proprietary interest. This information shall be kept confidential and shall not be published nor shall it be distributed outside the Company to any third party for any purpose, without the express written permission of the V.P. of Flight, nor shall it be used for any purpose other than to meet SIG responsibilities outlined in this Section.

E. Resolution of Disputes Regarding Specific Pairings

The SIG may formally dispute particular pairings in accordance with the following process that are inconsistent with the goals and purposes established elsewhere in this Agreement. In no case shall disputes made under the provisions of this Section, cause a delay in the printing or distribution of the monthly bid package.

Intent: The language regarding not creating a delay in bid pack printing is not meant to allow a "fix it next month" mentality. The process is intended to be as expedited as possible, but it will not be permitted to jeopardize the timely publication of bid packs.

1. The SIG may use the pairing dispute procedure described in this paragraph only to dispute new pairings. A "new" pairing is one which is materially different from the way the pairing was constructed in the three previous bid periods. A

pairing is not new if it has been built and flown materially the same way without challenge for three consecutive bid periods after 5/31/1999. A change in a deadhead carrier or service provider (e.g., change from Delta to United or from Super Shuttle to Argenbright) shall not, by itself, constitute a material change unless such deadhead change eliminates a layover or occurs mid-pairing.

2. The SIG shall provide a written list of all disputed pairings prior to the monthly conference call/meeting and shall identify each disputed pairing and the reasons why it is unacceptable during that conference call. The Company may agree to rebuild the pairing to alleviate the concerns expressed by the SIG. The SIG may withdraw a dispute after discussion during the conference call/meeting. If, between the pairings conference call and the issuance of the final pairings, a new pairing design is built for inclusion in the bid period package, the SIG shall have the ability to dispute such new design as if it had been part of the preliminary pairing solution.

Intent: Disputed pairings shall be corrected in the current month to the maximum extent possible without delaying the process.

3. If there are pairings that remain disputed after the conference call/meeting, the SIG shall meet and attempt to resolve the pairings still in dispute. If all such disputes are not resolved by the SIG, the SIG shall present the System Chief Pilot (SCP), or his designee, written rationale explaining why each disputed pairing should be changed.
4. The SCP or his designee shall review each disputed pairing and may direct that the pairing be rebuilt to the SIG's satisfaction. The SIG may withdraw the dispute after the meeting with the SCP or his designee.
5. If there are pairings that remain disputed after meeting with the SCP or his designee, the following process shall apply to each bid pack which contains disputed pairings for the immediately upcoming bid period only:
 - a. If the number of remaining disputed pairings in a particular bid pack does not exceed 5% of the total number of pairings in that bid pack, the disputed pairings shall not be included on bid lines without SIG approval. Such pairings shall appear in open time and shall be available for ordinary open time assignment or for placement on a VTO or custom line if specifically requested by a pilot holding such line.
 - b. If the number of remaining disputed pairings in a particular bid pack exceeds 5% of the total number of pairings in that bid pack, the SIG shall choose the pairings which shall be placed in open time as described in paragraph 5.a., above (i.e., up to 5% of the total number of pairings in the bid pack). The remaining disputed pairings may be built into bid lines.
 - c. When calculating the 5% referenced in paragraphs E.6.a., and E.6.b., above, a bid pack with pairings that are not identical in all seat positions shall be treated as separate bid packs for each seat position. If a particular flight sequence which is the cause of a dispute appears in several pairings, those pairings shall count as one pairing for purposes of calculating the 5%.
6. If a pairing routinely goes into operational limits that pairing shall be rebuilt.
7. If the Association SIG members elect to pursue the dispute further they shall choose between the mutually exclusive processes described in paragraph F.

and G., below. If the Association SIG members do not choose a dispute track after having disputed a pairing for four bid periods, the SIG Chairman may initiate the SIG Neutral track.

F. Final Resolution of Scheduling Disputes: SIG Neutral Track

If the Association SIG members elect to pursue the SIG neutral track, the following procedure shall apply.

1. Upon written request by the chairman of the SIG, the SCP shall convene a Scheduling Dispute Board. The board shall be composed of the SCP, the MEC Chairman, one Company SIG rep and one Association SIG representative.
 - a. The board shall meet within 5 calendar days to review appropriate data, including the flying history of the disputed pairing(s), at issue and discuss reasonable options on how the disputed pairing can be reconfigured in light of the operational requirements. Both sides shall use their best efforts to resolve the problem.
 - b. If the disputed pairing can be reconstructed, rebuilt or combined into another pairing so that the overall cost of the pairing is the same or essentially the same as prior to the reconstruction and the change does not compromise system form or reliability, then the pairing shall be changed accordingly.
 - c. Additionally, if on a recurring basis, a pairing, disputed or not, appears in open time and is routinely avoided by pilots trip trading or eligible for make-up, OTP, etc., and therefore must be assigned to a reserve pilot, the above procedure shall apply, unless the Association elects to pursue the VP/MEC Chairman track instead.
2. If a schedule construction issue(s) or pairing dispute(s) is not solved in the SIG, the quarterly meeting, or at the Scheduling Dispute Board levels, the ALPA SIG may choose to submit the dispute to an independent neutral mutually selected by both parties. The neutral shall gather facts, report findings and within 14 calendar days offer a recommendation to the Sr. V.P., Air Operations Division. The neutral may recommend the course of action that he finds which balances the competing needs and interests of both parties. The cost of the neutral shall be borne equally by both the Company and the Association.
3. The Senior V.P. of AOD shall review the findings of the neutral within 7 business days and issue a final decision concerning the matter. That decision shall be final and shall be sent to the neutral, the V.P. Flight Ops, and the members of the SIG.

G. Final Resolution of Scheduling Disputes: VP/MEC Chairman Track

The MEC Chairman may elect to notify the Vice President, Flight Operations that he is invoking the VP/MEC Chairman track regarding a particular SIG dispute. The notification shall be in writing and shall state the unresolved concerns/problems and the Association's position. Upon receipt, the Vice President, Flight Operations shall promptly have the stated unresolved concerns/problems investigated, including a review of the process undertaken thus far regarding the dispute. After at least one bid period of flying data is gathered on the disputed pairing, the Vice President, Flight Operations shall meet with the MEC Chairman at a mutually acceptable date and time to review the results of the investigation and discuss options for dealing

with the unresolved concerns/problems. Following the meeting, the Vice President, Flight Operations shall advise the MEC Chairman in writing of what actions, if any, the Company shall take to address the presented concerns.

H. Removal and Compensation of Association Members of SIG and PSIT

1. Removal

- a. The Association members of the SIG shall be removed from flying at the Association's notification as provided in Section 18.A.2.a.
- b. PSIT members shall be removed from flying as provided in Section 18.A.2.b., provided such members are not requesting removal of an activity over a designated corporate holiday. Requests for removal over a holiday shall be processed as provided in Section 18.A.3., unless the build week conflicts with a corporate holiday in which case the removals shall be processed as provided in Section 18.A.2.b.

2. Compensation

a. SIG members

The Association SIG members shall receive compensation and benefits as provided in Section 18.

b. PSIT members

The primary members participating in a build month shall be compensated by the Company by being removed from scheduled activities with a standard value of 30 CH (12 CH for any FDA) at the discretion of the SIG for each month that he is designated to complete the pairings/line construction cycle for his designated aircraft. Any additional credit hour value shall be reimbursed by the Association in accordance with Section 18, or the pilot shall be eligible to make up the difference. The Association shall notify the Company whether the excess credit hours are to be removed for Association business or dropped eligible for make-up. If a PSIT member is assigned to work additional days, he shall be removed from scheduled activities with a value of 6 CH for each additional work day, (or portion thereof), and he shall be eligible to make-up the difference between credit hours removed and credit hours earned for PSIT activities. PSIT members shall be entitled to OTP status for any make-up entitlement arising from this paragraph.

I. Resignation

A SIG or PSIT member may resign with notice of at least one full bid period.

J. General

1. Office Space for PSIT Members

The Company shall provide a closed office space large enough to accommodate the entire PSIT at separate work stations with all supporting equipment that facilitates the line build process.

2. SIG/PSIT Travel and Expenses

- a. The MEC Scheduling Committee Chairman will provide the Company a list of the PSIT and Association SIG participants that will be building bid period packages for the following bid period. Except for PSIT members assigned to an FDA, the Company shall provide a commercial airline ticket to the SIG/PSIT members to or from Memphis for the build week and other mutually agreed SIG/PSIT work. The Association SIG/PSIT members shall have the ability to utilize their deviation banks and/or business jumpseats to travel to or from Memphis for such activities.
 - b. The Company shall reimburse an Association member of the SIG or PSIT, consistent with Company policy and subject to approval by the SIG Chairman, for reasonable expenses related to such member's SIG/PSIT duties, including, but not limited to, hotels, telephone calls, high speed internet access, transportation (car rental), and meals.
3. Reviewers

The MEC Scheduling Chairman shall have the ability to utilize designated pilots to review the preliminary and final pairings. Unless otherwise agreed by the MEC Scheduling Chairman and the SIG Chairman, the number of reviewers shall be limited to 5 per base.
4. Training of SIG/PSIT Members

The Company shall reimburse pilots for training required to be a SIG/PSIT member. Reimbursable training is two full build weeks per trainee. Unless otherwise agreed by the Company, reimbursable training shall be limited to a maximum of two PSIT members per month with an annual maximum of eight PSIT members.

Appendix A

Initial SIG Parameters and Starting Values

Hard Parameters

The Company must apply hard parameters in the bid pack construction process unless the Vice President, Flight Operations and the MEC Chairman agree otherwise in writing. Any such agreement may contain conditions and/or limitations, as mutually agreed between the V.P. and the MEC Chairman.

Domestic

1. A pilot shall not be scheduled as a required crew member in excess of 7:35 block hours in a single duty period.
2. When a deadhead follows flight deck duty in the same duty period, at least 1:30 shall be scheduled between block-in of the FedEx revenue flight and departure of the deadhead.
3. When a deadhead follows flight deck duty in the same duty period, no more than 4 hours shall be scheduled between block-in of the FedEx revenue flight and departure of the deadhead.
4. Any duty period scheduled for a critical period departure(s) shall be limited to 3 departures in the critical period or afterward.
5. Trips that depart domicile in the critical period and return to domicile in the same duty period (out and backs) shall be scheduled to block-in by 10:00 am LBT.
6. If flight deck duty occurs anytime in the critical period, there shall not be a following deadhead within the same duty period, except that the final duty period in a trip may contain such deadhead if the trip is scheduled to terminate in base prior to 10:30 am and the duty period cannot be extended beyond normal scheduled duty limits to accomplish such.
7. The critical duty rig function shall be set at 1.0.

International

1. No trip shall contain more than two round trip ocean crossings. Upon completing the first round trip ocean crossing, the crew must initiate the second ocean crossing.
2. No trip shall be scheduled to have more than 5 different continental arrivals (i.e., Africa, Antarctica, Asia, Australia, Europe, North America, and South America). For purposes of this parameter a duty period that arrives on a different continent, but has a TZD of 3 or fewer shall not count as a separate continental arrival.

3. Gateway City Parameter:

- a. Following entry at any airport in the United States (Gateway City) from an international location, an International Pairing shall have no more than two domestic duty periods. The combined total number of operating legs in those two duty periods shall not exceed two. In addition, there shall be no deadhead legs scheduled in the same duty period as an operating leg, and the number of deadhead legs shall be limited to two.
 - b. For pairings to which International SIG parameter number 1 (maximum ocean crossings) applies, the gateway city limitation applies to the last arrival at a gateway city from an ocean crossing.
 - c. Prior to leaving a U.S. Gateway City to an international location, an international pairing shall have no more than two domestic duty periods containing no more than four operating legs total.
4. Flight crews requiring a Second Officer that are scheduled to block-out from domicile between 2200 and 0500 LBT shall not be scheduled in excess of 1 flight of 12 block hours or 2 flights of 10 block hours.
5. An international duty period shall not be constructed in excess of 7+35 block hours without at least three airmen on board (e.g., DC-10 standard crew, MD-11 with RFO).

Soft Parameters

The Company may override a soft parameter(s), provided it gives at least 45 days written notice, prior to the delivery of the preliminary pairings, of its intent to do so and the reasons therefore. Other soft parameters may be added by agreement of the Association and the Company.

Domestic

- 1 The maximum length of carryover trips for each bid period shall be 7 days in the subsequent bid period.
- 2 If a duty period starts in the critical period, and has three landings, such duty period shall be scheduled to block in by 1000 LBT.
- 3 A standby period shall not be scheduled in the same duty period as a deadhead return to base.

International

- 1 If a trip operates in the Asian theatre and transit 5 TZD's or more, the final landing in any 3-leg duty period must occur between 0600 and 2000 LT.
- 2 If a trip transits 5 TZD's or more and contains a 3 leg duty period with the last landing in mainland China, (e.g., not TPE, HKG), that trip will contain at least a 36 our layover preceding such duty.
- 3 If a trip transits 5 TZD's or more, it will not contain 3 leg duties that terminate in SFS.

- 4 A duty that begins between 0100-0459 (Local time) shall not contain the following flight sequence (IND-ORD-ANC).
- 5 If a trip, with an RFO, begins in ANC with a duty starting between 1500-2300, such duty shall be scheduled for 1 landing.
- 6 If a pairing is scheduled with a CDG-SFS leg immediately followed by a westbound duty period of 5 TZD's or greater, then a layover of at least 36 hours will precede such westbound duty period.
- 7 A duty period containing an intermediate stop at SFS shall be scheduled with a maximum of 3 landings.

SECTION 26

GENERAL

A. Aircraft Data Collection Systems

1. Definitions

- a. Flight Data Recorder means any device, equipment or system maintained on board an aircraft that transmits and/or records and/or collects inflight data on the subjects of pilot, aircraft component or aircraft performance.
 - b. Cockpit Voice Recorder means any device, equipment or system maintained on board an aircraft that monitors or records a pilot's voice while he is on the aircraft.
 - c. Inflight data includes, but is not limited to, all aircraft facts and quantitative details recorded and associated with the aircraft's operation in an alleged incident/event. For purposes of this definition Flight Safety reports are considered inflight data.
2. Information obtained from a flight data recorder or cockpit voice recorder or any other device as described in Section 26.A.5., shall not serve as a basis for discipline or discharge of a pilot. Proficiency or line checks conducted pursuant to any Safety investigation are not considered disciplinary action.
 3. Information obtained from a flight data recorder or cockpit voice recorder or any other device as described in Section 26.A.5., shall not be disclosed or released by the Company to a third party except that the Company must release the flight data recorder, voice recorder data or other inflight collection devices to the National Safety Board or, where applicable, to other foreign or domestic governmental accident or criminal investigation agencies for accident/incident investigation purposes.
 4. Information obtained from a flight data recorder or a cockpit voice recorder shall not be audited to evaluate or monitor the judgment or performance of an individual pilot or crew. That information, however, may be used for the purpose of evaluating or improving the Company's training program. In the event that information from a flight data recorder is used in a Company training program, the names of the flight deck crew shall not be disclosed. Cockpit voice recordings may also be used in training but the voices of the flight deck crews shall not be used or reproduced in any manner. Transcripts may be made and recorded by personnel to reproduce the recording on tape or other multi media device. Actual voices of the pilots involved shall never be used.
 5. Federal Express Corporation shall only release data from an aircraft data recording and/or data transmitting device, to an individual or entity outside of the Company if required by law, or where the Company desires to disclose de-identified data or analysis of such data to a third party solely for the purpose of evaluating aircraft engine or component performance, weather data, or other operational analysis. Information released to a third party shall be de-identified to the maximum extent possible. The Association will be briefed prior to the exchange being made.
 6. Should the Company decide to install a new type of instrument or device not previously utilized on Company aircraft which is capable of collecting and/or

reporting flight performance data of an aircraft, the Company shall consult with and receive input from the Association prior to installation. The consultation process between the Company and the Association is intended to be a meaningful, constructive, two-way process in which the parties address the suitability of the proposed installation and any issues of pilot concern. This process will occur before a decision is made to install the new device. It is the intent of this paragraph to require only one notification when an installation of such equipment is to be installed on more than one aircraft of a type. It is neither the intent nor the purpose of this paragraph to require notification for purposes of normal or emergency maintenance or flight test work on aircraft.

7. Flight Safety Reports will be sent only to the Flight Safety Department and the contents will only be used by the Flight Safety Department to conduct their investigation. The contents will not be shared with Flight Management or the Federal Aviation Administration (FAA) and will not be used for disciplinary purposes.
8. [Reserved]
9. In the event a FedEx aircraft is involved in an accident/incident/event, the pilots who comprise the Association's accident investigators (who have been designated and listed with Jumpseat Administration) will be authorized Business Emergency for jumpseating on a FedEx aircraft in response to the accident/incident/event.
10. Pilots involved in an accident/incident/event will be removed from trips with pay during the investigation, if any. Pilots will be paid training pay as appropriate for the time spent during days off cooperating with any investigation or completing any assigned retraining.

B. Appearance, Uniforms and Accessories

1. The Company may establish and maintain reasonable standards concerning personal grooming and appearance and the wearing of uniforms and accessories. Pilots shall wear the uniform authorized by the Company.
2. A pilot shall wear his Company identification card so as to be visible on his outer most clothing at all times while on Company property.
3. The cost of the original uniform shall be borne by the Company for all pilots hired on or after the effective date of this Agreement. This allowance shall be \$300. The Company shall reimburse a pilot up to \$150 per year for replacement of approved uniform items, provided the pilot submits original receipts for items purchased, which shall, to the extent possible, specify the items for which reimbursement is requested. Those receipts shall be submitted within 90 days after the date of purchase.
4. The recommendations of the Association shall be considered by the Company before making any change in the style, color or material of uniforms. The cost of any Company prescribed change in uniform shall be borne by the Company.
5. The Company shall provide free of charge any insignia prescribed as part of the pilot uniform. The insignia shall remain the property of the Company. A pilot shall bear the cost of replacing the insignia if lost.
6. Unless authorized by the Company, no insignia or non-uniform articles or accessories, other than Company service pins, Association pins, and

professional aviation related insignia, shall be worn on the Company uniform. "Professional aviation related insignia" is intended to allow accessories like a DC-10 pin, or an F-16 pin, not an embroidered patch on the leather jacket.

C. Applicable Laws and Government Regulations

It is understood and agreed that the provisions of this Agreement are subject to all applicable laws and governmental regulations now or hereafter in effect and all lawful rulings and orders of all regulatory agencies now or hereafter having jurisdiction. If any provision of this Agreement is determined to be invalid or contrary to law, the parties shall consult concerning the effect of that law on this Agreement.

D. Bulletin Boards and Mailboxes

The Company shall provide ALPA with an enclosed bulletin board in Memphis, Anchorage, Indianapolis, Oakland, Los Angeles, Alliance, Newark and in the operations area of any FDA. Material that is defamatory, or that attacks individuals, groups, or the Company shall not be posted. The Company shall provide the Association with a locked mailbox in each domicile for the purposes of receiving communications from pilots.

E. Discrimination

Except as otherwise mandated or excused by applicable law, the provisions of this Agreement shall apply to all employees covered by it without regard to race, religion, national origin, age, sex or disability.

F. Equipment Damage/Usage

1. A pilot shall not be fined or required to pay for any damage to any Company equipment unless the damage is caused by the pilot's intentional misconduct.
2. A pilot shall not be required to pay for any Company required training or for the use of any required training equipment or facilities.

G. Fitness for Duty

All pilots shall report for duty in proper mental and physical condition.

H. Gender

Whenever the term "pilot," "employee," "crew member" or a gender specific adjective or pronoun is used in this Agreement, the reference applies equally to both the masculine and feminine genders.

I. Interline and Other Employee Services and Discounts

1. Consistent with the Company's interline agreements with other carriers, if any, all pilots covered under this Agreement and applicable family members and dependents shall be entitled to the same reduced fare privileges generally afforded or available to full-time Company employees and their families.
2. Pilots shall be provided discounts and be eligible to participate in programs, (e.g., ESPP, tuition refund, MedQuest, LifeWorks, Smoking Cessation), to receive Company service awards and to maintain membership in the FedEx Credit Association, so long as these discounts, programs and awards are maintained and continue generally for all full time Company employees and/or their families. This paragraph does not apply to programs within the scope of this Agreement.

J. Jumpseats

1. To the extent permitted by law or regulation, pilots shall be given access to Company jumpseats on terms no less favorable than those provided in the Company jumpseat policy effective January 25, 1998 and included in the PBB. Procedures for booking and other provisions governing access to Company jumpseats shall be as provided in that policy. Jumpseat abuses discovered by flight crews shall be reported through the Association's Jumpseat Committee chairperson and a response to the result of the inquiry shall be returned to the committee chairperson.
2. A pilot may use a Company staging jumpseat to position himself in Memphis for the start of his scheduled trip in accordance with the following:
 - a. The period beginning at scheduled showtime of a pilot's inbound jumpseat and ending 30 minutes after the scheduled termination of his first duty period must be less than 13:30.
 - b. There must be at least 1:30 hours between the scheduled block-in of the inbound jumpseat and the showtime of the pilot's trip.
 - c. A pilot positioning to Memphis on a Company jumpseat shall take proactive steps to be aware of any circumstance which could prevent his timely report to work (e.g., potential maintenance, weather or FAA delays, reroutes). A pilot shall notify CRS at the first indication that a bump, cancellation, reroute or delay of his inbound jumpseat may prevent him from checking in by his scheduled showtime.
 - d. If a pilot positioning to Memphis on a Company jumpseat consistent with the provisions of this paragraph cannot report by showtime due to bump, cancellation, reroute or delay of his inbound jumpseat, CRS may remove the pilot without pay. If a pilot is removed under this paragraph, he shall be eligible for make-up (and shall not be eligible for substitution). There is no discipline associated with the removal if the pilot followed the parameters described above.
 - e. The provisions of Section 26.J.2. are predicated upon the premise that time spent on a pilot scheduled Company jumpseat is not accrued duty time under this contract or the FAR's. Should the Company be required to consider time spent on a pilot scheduled Company jumpseat as accrued duty time, Section 26.J.2., shall become null and void immediately.
3. Cockpit jumpseats on international flight legs over 4 block hours shall not be eligible to be reserved by Company jumpseaters without concurrence of the Captain, or in the event the Captain proves unavailable, then by another member of the flight crew who is available.

K. New Aircraft In Service

1. If the Company wishes to place into operation any aircraft above the MTOGW limits outlined in Section 1., other than the aircraft for which rates of pay are established in Section 3 of this Agreement, the following shall apply:
 - a. The Company or the Association may, by written request, initiate conferences to negotiate agreements governing whether that equipment shall be considered a wide-body, narrow-body, or some new category of aircraft for the purposes of pay. Conferences shall commence no later than 30 days following receipt of the written request for those conferences.

- b. If no agreement has been reached within 30 days following commencement of conferences, a non-disciplinary panel of the System Board shall be convened as provided in Section 21 for the purpose of establishing whether that equipment shall be considered a wide-body, narrow-body, or some new category of aircraft for the purposes of pay, notwithstanding the provisions of Section 21.A.4. (Jurisdiction of System Board).
 - c. The decision of the System Board shall be incorporated into this Agreement by reference. If the Company has placed the aircraft in service at a designated rate of pay before the System Board issues its decision, then the rates of pay determined by the System Board shall be applied retroactively.
 - d. The provisions of Section 31 of this Agreement shall not prevent the operation of Section 26.K.
- 2. If the Company introduces B737 and/or B757 aircraft, those aircraft will be considered narrow body aircraft.
- 3. A-380 pay rates are as provided in Section 3.
- L. New Hire Briefing

A pilot representing the Association will be scheduled 30 minutes to speak to new pilots during the initial new hire training program. Nothing of a defamatory or personal nature attacking individuals or groups or the Company shall be permitted during the briefings.
- M. Passports, Visas and Immunizations

Each pilot shall maintain a current passport. The Company shall advise each pilot of the visas and immunizations he must possess. The Company shall reimburse a pilot for the cost of obtaining and renewing his passport and all Company required visas and immunizations.
- N. Personnel
 - 1. A pilot may review and copy his personnel file and training records in their entirety, except for pre-employment related material, in the presence of a Company representative at mutually agreeable times and places.
 - 2. Within 90 days following the effective date of this Agreement, each pilot shall verify and, if necessary, update his permanent, primary residence address and telephone number in the Company's PRISM system. Additional addresses may be provided at the pilot's option, (e.g., paycheck mailing address, bid pack mailing address, corporate mailing address and crew mailbox). A pilot's bid pack mailing address shall be an address where it is possible to receive regular U.S. mail or Federal Express Overnight Letter.
 - 3. A pilot shall be allowed access to Company computer systems to the same extent generally available to all other employees.
- O. Polygraph

No pilot shall be required by the Company to take any form of polygraph or lie detector test.
- P. Protection from Damage

1. Except as described below, the Company shall provide, at no expense to a pilot, legal representation for a pilot named as a defendant in a legal proceeding arising out of the pilot's operation or attempted operation of a Company aircraft. The pilot has the option to use representation from the Company, consistent with this paragraph, or from ALPA or his own representation.
2. Except as described below, the Company shall indemnify and hold the pilot or his estate harmless for the amount of any monetary judgment rendered personally against the pilot in a proceeding covered by Section 26.P.1., if that judgment arose out of the pilot's operation or attempted operation of a Company aircraft. For purposes of this paragraph, a proceeding shall be deemed not covered by Section 26.P.1., if the pilot was not entitled to the legal representation described therein, regardless of whether the Company actually provided representation.
3. A pilot shall not be entitled to the benefits described in Section 26.P.1. or P.2., if:
 - a. either the Company or the pilot has initiated the legal proceeding, in good faith, against the other; or
 - b. the legal proceeding at issue is one in which the pilot has committed intentional or criminal misconduct; or
 - c. the pilot refuses to cooperate in his own legal defense.
4. The Company shall not sue a pilot for indemnity in connection with any case covered by Section 26.P.1.
5. If a pilot is called by the Company as a witness in connection with a legal proceeding of any description, kind or character for any reason, the pilot shall receive scheduled pay and credit for a trip(s) or R-day(s) dropped, if applicable.
6. The provisions of this paragraph shall not apply in situations of certificate action instituted by the FAA against a pilot, or other situations in which a conflict of interest exists between the Company and the pilot.

Q. Publications/Identification Card

1. The Company shall provide pilots with appropriate navigation publications as well as aircraft flight and training manuals, and changes to these, necessary for a pilot's crew status. Upon request, the Company shall mail a pilot's Jeppesen charts to an address designated by the pilot.
2. All changes or amendments to current aircraft flight manuals, pilot operating manuals and aircraft checklists affecting flight operations shall be furnished in advance to the Association designee.
3. The Company shall provide each pilot with a copy of this Agreement. The cost of publishing and distributing this Agreement shall be borne equally by the Association and the Company. The Company shall bear the cost of providing copies of this Agreement to pilots hired after the effective date of this Agreement.
4. The Company shall provide each pilot with his initial Company identification card. Replacement of lost cards shall be in accordance with Company policy.

5. A pilot may arrange for replacement of items referred to in Section 26, paragraphs Q.1. through Q.3., by notifying his flight manager. The cost of replacement items shall be borne by the Company.
- R. Monthly Information
The Company shall provide to the Association, in electronic format, a list containing all pilots' names, employee numbers, dates of hire, dates of birth, base, crew status permanent mailing address and phone numbers of pilots who have made their phone numbers available in VIPS. The information shall be current as of the last pay period of each month and submitted no later than 25 days after the end of the month.
- S. Recorded Phone Lines
Pilots' telephone conversations with the Company may be recorded. Recorded telephone conversations shall be archived by the Company for a period of not less than 60 days.
- T. VIPS Inaccessibility
A contact otherwise required to be made to VIPS shall be made to CRS or other designated department if VIPS is not accessible. The local access option in VIPS will remain available. This paragraph covers the situation where the VIPS system goes down.
- U. Mediated Debrief
Information obtained during a mediated debrief shall be subject to the provisions of Section 26.A.2.
- V. Random Searches
The Company and/or its representatives are prohibited from executing random searches on pilots, unless required by law to do so.
- W. FDA
1. All pilots assigned to an FDA are fully covered by all provisions of this Agreement.
 2. If conditions in an FDA require evacuation for a temporary period of time, the Company shall provide the pilot and his eligible dependents at the FDA with transportation, lodging, and other services appropriate to the situation (e.g., storage of household goods if circumstances warrant, etc.).
 3. If an FDA evacuation lasts longer than 30 days, the Company and the Association shall meet and consult regarding other accommodations that should be made for pilots and their families assigned to the FDA. If a permanent evacuation is required, the Company shall move the pilot and his family, as provided in Section 6, without application of time limits and reimbursement obligations normally accompanying such moves. The consultation process between the Company and the Association is intended to be a meaningful, constructive, two-way process in which the parties address the suitability of the proposed solution and any issues of pilot concern.
- X. Administrative Corrections
Typographical or reference errors found in the ratified Agreement or any Letter of Agreement may be corrected by mutual agreement of the Company and the Association, in subsequent reprintings of the contract.

Y. Aviation Safety Action Program

1. Any Aviation Safety Action Program (ASAP) shall have the participation of the Association as a party.
2. Removal from Flying and Flight Pay Loss
The ALPA ERC representative and/or alternate shall be removed from flying to participate in all ERC activities. The ALPA ERC representative and alternate shall receive compensation and benefits as provided in Section 18.
3. If any pilot is held out of service as part of the ASAP process, the pilot shall continue to have the same access to Company communications systems (e.g., e-mail, VIPS, etc.), and shall continue to accrue all pay and benefits (e.g., seniority, longevity, retirement, vacation, sick leave) as if he had not been held out of service.
4. Neither an ASAP report, the content of an ASAP report, or any corrective action arising from an ASAP report, shall be used in, or constitute grounds for placement in, or considered as any Section 11 training, any Enhanced Oversight Program, or any other similar program and/or training. If, however, a pilot is initially covered under the ASAP program, but is ultimately excluded from the program as provided in ASAP MOU paragraph 11.f., his case shall be referred to the TRB for any necessary requalification training and further processing under Section 11.K.
5. The Company will make ASAP Report Forms available on pilot.fedex.com.
6. The Company shall establish and maintain facsimile and telephone numbers as alternative means of filing an ASAP Report.
7. The submission or non-submission of an ASAP report, an ASAP report, the contents of an ASAP report, and any conduct, statement, decisions, or recommendations made by those individuals involved in the ASAP process (e.g., the ASAP manager, coordinator(s), ERC, etc.), arising out of such process, shall not be used in or referred to in any Section 11, 19, or 21 process, except as provided in the MOU under paragraph 11.a.(3).

SECTION 27

INSURANCE BENEFITS

A. General

1. The Company shall continue to provide health, welfare and related benefits through the Insurance Plans¹ and under the terms and conditions of the Insurance Plans, as in effect on October 30, 2006, except as specifically provided herein. The parties to this Agreement understand and agree that there is no intent by either party to create a vested benefit with respect to any benefits provided under any of the Insurance Plans.
2. The Insurance Plans' summary plan descriptions are currently included in the 2004 Pilot Benefit Book (PBB), as described in Section 27.A.8. The PBB shall be updated in accordance with Section 27.A.8., to reflect changes made by this Agreement and any other changes made pursuant to Section 27.A.3.
3. Amendment of Insurance Plans
 - a. All Insurance Plans are incorporated by reference into this Agreement. Notwithstanding any language in an Insurance Plan to the contrary, the amendment of an Insurance Plan as it applies to pilots (including but not limited to any change in premiums, coverage or benefit levels) is subject to the consent of the Association in accordance with the procedures applicable

¹The following Insurance Plans are effective as of October 30, 2006:

- (a) Federal Express Corporation Basic Life Insurance Policy, as effective October 1, 2005;
- (b) Federal Express Corporation Optional Life Insurance Policy, as effective January 1, 2003;
- (c) FedEx Corporation Accidental Death and Dismemberment Insurance Policy, as effective January 1, 2006, and FedEx Corporation Optional Accidental Death and Dismemberment Policy, as effective January 1, 2006;
- (d) FedEx Corporation Business Travel Accident Insurance Policy, as effective January 1, 2006 (to be amended to conform to the LOA dated March 7, 2003, covering pilots performing a CRAF mission);
- (e) Federal Express Corporation Survivor Income Benefit Policy, as effective October 1, 2005;
- (f) Federal Express Corporation Group Health Plan, as effective January 1, 2006;
- (g) Federal Express Corporation Retiree Group Health Plan, as effective January 1, 2005;
- (h) Federal Express Corporation Dependent Care Reimbursement Plan, as effective January 1, 2003;
- (i) Federal Express Corporation Health Care Contribution Plan, as effective January 1, 2003;
- (j) Federal Express Corporation Long Term Disability Plan, as effective June 1, 2003 (to be replaced by Federal Express Corporation Long Term Disability Plan for Crew Members, to be effective June 1, 2006); and
- (k) Federal Express Corporation Health Care Reimbursement Plan, as effective January 1, 2004.

to the amendment of the Agreement, except as provided below in this Section 27.A.3.

- b. The Company, through its Employee Benefits Department, shall make all amendments to any or all plans as are required by applicable law. The Company shall provide as much advance notice of such amendments, and corresponding revisions to the PBB, as is practicable. If an amendment to the Insurance Plans or the PBB is required by law, if there is more than one alternative available under the law with respect to such required amendment(s), and if the effectuation of either alternative would result in similar cost to the Company, the consent of the Association to one of the alternatives shall be required for such plan amendment. Such consent shall not be unreasonably withheld. The Association's consent shall not be required for any amendment described in this paragraph if more than one alternative is available under the law but the effectuation of one or more of the alternatives would result in increased cost to the Company over the other available alternative(s).
 - c. If any vendor of the Insurance Plans (i) incurs financial distress, such that it no longer meets the Company's contracting requirements, (ii) is sold to, acquired by, or merged with another entity and because of such sale, acquisition or merger is unable to fulfill its contractual obligations to the Company, or (iii) is unable to meet the Company's contracting requirements for the plans contracted for, the Company shall, after notification to the Association, select a vendor to assure that the Insurance Plans are properly supported.
 - d. The Company may replace those "subordinate vendors" which are mutually agreed upon by the Company and the Association, provided the Company shall first notify and consult with the Association regarding such intended action as soon as practical and explain to the Association the reasons that the "subordinate vendor" is being replaced to better support the Insurance Plans. The current cumulative list of "subordinate vendors" consists of: Davis Vision (vision benefits), MetLife (Dental and Voluntary Programs), Aetna (Disability program), Jefferson Pilot Basic Life Insurance and SIB), Prudential (Optional Life Insurance), AIG (Accidental Death and Dismemberment and Business Travel Accident), ADP (COBRA), Ceridian (LifeWorks) and WageWorks (FSA).
 - e. Notwithstanding Sections 27.A.3.c. and d., the Company and the Association shall meet to agree upon any replacement for Wellpoint/BCBS.
 - f. The Company may also amend the Group Health Plan, if such amendment is both (i) initiated by a vendor, in accordance with the vendor's contract with the Company, and (ii) not subject to Company direction or discretion.
4. The administration of the Insurance Plans shall remain within the purview of the Company's Employee Benefits Department and all disputes concerning any claim for benefits shall be settled as described in Sections 27.A.6.

5. Insurance Board

- a. The Company and the Association shall meet at least quarterly to jointly discuss the cost, collective experience and performance of the claims paying administrators and service providers of the Insurance Plans and to seek to resolve any problems related to the administration of those plans. The Company and the Association may each designate up to three persons who shall attend each such meeting. The benefits specialists for the Company and the Association shall agree on an agenda for each meeting at least one week in advance of such meetings, and shall notify the Company of any agenda items which need to be addressed at the meeting so that the Company may designate the appropriate personnel to attend on behalf of the Company. Should the meeting be scheduled to cover multiple agenda items, the parties shall exchange a list of attendees based on the agenda items. The meetings held by the Company and the Association pursuant to this provision shall exclude any discussion related to any single claim made by an individual pilot and/or his covered dependents which would be protected by federal or state health privacy laws or properly appealed pursuant to ERISA.
- b. The Company and the Association may also agree to meet with the claims paying administrators of the Insurance Plans. The Company and the Association shall each designate up to three persons to attend such meetings. The agenda for such meetings must be jointly agreed upon by the Company and the Association at least fourteen (14) days in advance of any such meetings, in order to give all participants, including the claims paying administrators, sufficient opportunity to prepare for such meetings.
- c. The meetings of the Company and the Association (and, if applicable, the claims paying administrators) which are held pursuant to this provision may take place either face-to-face or by conference call, as agreed by the Company and the Association.
- d. Neither the Company representatives nor the Association representatives who attend these meetings shall be empowered to act as fiduciaries of any Insurance Plan; nor shall the representatives of the Company or the Association have the power to modify or interpret the terms of any Insurance Plan. However, either the Company representatives or the Association representatives who attend these meetings may suggest modifications to the Insurance Plans to the Company and the Association.

6. Review of benefit denials shall be as follows:

- a. As described in the Insurance Plans and the PBB, benefit denials shall be reviewed by the appropriate claims-paying administrator. The Company may remove or replace such claims-paying administrators as provided in Section 27.A.3 above.
- b. A pilot may appeal a claim which is denied through the process established by the claims-paying administrator. If the pilot is not satisfied with the decision on appeal, the pilot may either seek review of the decision by the Pilot Benefit Review Board in accordance with the provisions of Section 27.Q within 120 days of the decision, or opt to pursue a judicial remedy available under ERISA. A pilot's request for judicial review of an appeal decision under

the Employee Retirement Income Security Act ("ERISA") shall be reviewable by a court of competent jurisdiction under ERISA and such review shall not be barred by the Railway Labor Act ("RLA"). A pilot's decision to elect a particular course of dispute resolution shall constitute an express waiver of the other. With respect to a pilot challenging his individual claim denial under this paragraph, the provisions of Section 27.A.3.a. (incorporating certain plans into the Agreement by reference) shall not afford him greater remedies than if such plans had been incorporated solely for the purposes of resolving his individual appeal.

7. No later than February 27, 2007 (120 days after October 30, 2006), the Company shall provide the Association with proposed amendments effectuating the changes to the Insurance Plans contemplated by this Agreement. Thereafter, in the case of changes to the Insurance Plans that require Association consent pursuant to Section 27.A.3.a., Section 27.A.3.b. or Section 27.A.3.e., the Company shall provide the Association with proposed amendments effectuating the changes, no later than 30 days prior to the proposed effective date of such amendments, and in the case of changes to the Insurance Plans that do not require Association consent pursuant to Section 27.A.3.b., Section 27.A.3.c., Section 27.A.3.d. or Section 27.A.3.e., the Company shall provide the Association with executed copies of the amendments effectuating such changes no later than 30 days following the execution of such amendments. With respect to those changes to the Insurance Plans which will be effective January 1, 2008, the Company shall provide the Association with proposed amendments effectuating those changes no later than December 1, 2007.
8. No later than April 28, 2007 (180 days after October 30, 2006, the date of signing), the Company shall provide the Association with proposed updates to the PBB reflecting changes made as part of this Agreement. No later than 60 days after receipt of the proposed updates, the Association shall meet with the Company and provide comments. As soon as practicable thereafter, a PBB that is mutually satisfactory to the Company and the Association shall be distributed to the pilots. The Association's approval shall not be unreasonably withheld. The foregoing to the contrary notwithstanding, the failure of the Association to timely approve such updates shall not prevent the Company from distributing the updates to the pilots in accordance with the provisions of 29 U.S.C. §1104(b). The parties acknowledge that updates pertaining to benefit changes that are scheduled to take effect on January 1, 2008, may not be available for inclusion in the 2007 update to the PBB.

With respect to any future updates to the PBB, the Company shall prepare and distribute to the pilots updates to the PBB, as required by 29 U.S.C. §1104(b). The Association shall be given the opportunity to review and approve such updates; the Association's approval of such updates shall not be unreasonably withheld. The foregoing to the contrary notwithstanding, the failure of the Association to timely approve such updates shall not prevent the Company from distributing the updates to the pilots in accordance with the provisions of 29 U.S.C. §1104(b).

9. The parties recognize that the future cost, delivery and structure of health care (including retiree health care) is an area of particular concern to both sides. The parties pledge their mutual cooperation in dealing with new health care initiatives, legislation, regulation and other future health care issues as they might affect both the pilots and the Company.

B. Basic Life Insurance Plan

1. The Company shall continue to provide Basic Life Insurance coverage. A pilot must comply with the eligibility requirements of the Basic Life Insurance plan or lose or risk losing coverage. Coverage levels for Basic Life Insurance shall not be decreased.
2. Basic Life Insurance Plan premiums shall be paid by the Company.
3. The life insurance benefit provided under the Basic Life Plan with respect to any pilot whose date of death is prior to January 1, 2007 shall equal one and one-half times such pilot's basic annual salary (rounded to the nearest \$1,000) up to a maximum of \$100,000. This amount shall be reduced by 8% a year for pilots age 65 to 70, after which there shall be no further reduction.

The life insurance benefit provided under the Basic Life Plan with respect to any pilot whose date of death is on or after January 1, 2007 shall equal \$800,000. On and after April 1, 2007, the pilot may elect pursuant to the procedures established by the insurance carrier, to receive coverage of either \$300,000, \$400,000 or \$500,000, in lieu of \$800,000. During each annual enrollment period, a pilot who is actively at work may elect to receive a different coverage amount, as described herein, and such election shall be effective on the date provided by the insurance carrier. Should a pilot elect to increase his coverage amount, he must provide such proof of insurability as is required by the insurance carrier.

4. Coverage under the Basic Life Plan begins for a pilot upon his date of hire, or if later, the first day he is actively at work.
5. Coverage under the Basic Life Plan shall end as provided in the policy and PBB.
6. Other restrictions, requirements and limitations of the Basic Life Plan are described in the policy and the PBB.

C. Optional Life Insurance Plan

1. The Company shall continue the Optional Life Insurance Plan. A pilot must comply with the requirements of the plan or lose or risk losing coverage. Coverage levels shall not be decreased. Except for routine and scheduled premium adjustments caused by a pilot moving between rated age categories, a non-retired pilot's premium payments for equal amounts of coverage shall not be increased.
2. With respect to a pilot whose date of death is before January 1, 2007, the Optional Life Insurance Plan provides 1.5 times the pilot's basic annual salary (rounded to the nearest \$1,000) up to a maximum of \$100,000, or 3 times the pilot's basic annual salary (rounded to the nearest \$1,000) up to a maximum of

\$300,000, as elected by the pilot. This amount shall be reduced by 8% a year for pilots beginning at age 65, as shown on the following table:

92% continued at age 65

84.64% continued at age 66

77.87% continued at age 67

71.64% continued at age 68

65.91% continued at age 69, after which there shall be no further reduction.

With respect to a pilot whose date of death is on or after January 1, 2007, but before April 1, 2007, such pilot's Optional Life Insurance Plan coverage will be increased to an amount equal to the nearest \$100,000 increment (up to a maximum of \$300,000), based on such pilot's most recent election. This amount shall be reduced by 8% a year for pilots beginning at age 65, as shown above.

Effective as of April 1, 2007, a pilot may elect to purchase Optional Life Insurance coverage in increments of \$100,000 to a maximum of \$1,000,000 of coverage, at the premium rate provided by the insurer for such coverage. A pilot's Optional Life Insurance Plan coverage shall not exceed ten (10) times the pilot's basic annual salary (rounded to the nearest \$1,000). This amount shall be reduced by 8% a year for pilots beginning at age 65, as shown above. In order to make the election referenced in this paragraph, a pilot must be actively at work on the date that he makes such election and his date of death must be on or after the date of the election. The coverage level for a pilot who is not actively at work on April 1, 2007 will increase to the nearest \$100,000 increment. This amount shall be reduced by 8% a year for pilots beginning at age 65, as shown above.

Additionally, a pilot may purchase Optional Life Insurance coverage of \$25,000 for his spouse, \$5,000 for dependent children six months and older and \$1,000 for dependent children younger than six months old (child must be alive at birth).

3. Eligibility for coverage under the Optional Life Plan begins for a pilot upon his date of hire, or if later, the first day the pilot is actively at work. If a pilot fails to complete the enrollment procedure described in the policy and the PBB within the first 31 days after his date of hire, he may enroll in the Optional Life Plan; however, he may only enroll under the Optional Life Plan upon providing proof of insurability to the insurance company that underwrites the Optional Life Plan, or during open enrollment periods, should they be offered to all pilots.
4. An individual pilot's coverage under the Optional Life Plan shall end as provided in the policy and the PBB.

5. A pilot who is enrolled in the Optional Life Plan and who (i) retires on or after October 30, 2006, (ii) retires on or after his 55th birthday, and (iii) is active at work immediately prior to the date of his retirement, may, within 31 days of the later of his retirement date or the date on which he receives notice, enroll in Optional Life insurance for retirees at the premium rate provided by the insurer for such coverage. Such coverage may be purchased in increments of \$100,000, to the lesser of \$300,000 of coverage or the pilot's pre-retirement Optional Life coverage level, as elected by the pilot. Additionally, a retiring pilot may purchase a maximum of \$25,000 coverage on his spouse, provided the spouse had Optional Life insurance coverage prior to the pilot's retirement; coverage for a spouse may only be continued while coverage is in effect for the pilot. No increases in coverage will be allowed after enrollment; however, a pilot who elected coverage in an amount greater than \$100,000 shall be permitted to reduce the amount of coverage, but not below \$100,000. The life insurance benefit shall be reduced by 8% a year for pilots beginning at age 65, as shown in Section 27.C.2. above. Coverage shall terminate at the pilot's attainment of age 80, at which time the pilot may elect to convert his Optional Life insurance coverage to coverage under an individual insurance policy.
6. A pilot who is enrolled in the Optional Life Plan and who (i) terminates on or after October 30, 2006, (ii) terminates before his 55th birthday, and (iii) is actively at work immediately prior to the date of his termination may, within 31 days of the later of his termination date or the date on which he receives notice, enroll in Optional Life Portability insurance at the premium rate provided by the insurer for such coverage. Such coverage may be purchased up to the lesser of the pilot's pre-termination Optional Life coverage level or \$1,000,000 not to exceed five (5) times the amount of pre-termination salary. The minimum amount of coverage is \$20,000. Additionally, a terminating pilot may purchase a maximum of \$25,000 coverage on his spouse and \$5,000 on eligible children, provided the spouse had Optional Life insurance coverage prior to the pilot's termination and dependents are not home-confined or hospital-confined on the day prior to the pilot's termination; dependent coverage may only be continued while coverage is in effect for the pilot. No increases in coverage will be allowed after enrollment; however, a pilot who elected coverage in an amount greater than \$20,000 shall be permitted to reduce the amount of coverage. The life insurance benefit will reduce to 60% at age 65 and 50% at age 70. Coverage shall terminate at the pilot's attainment of age 80, at which time the pilot may elect to convert his Optional Life Portability Insurance coverage to coverage under an individual policy.

D. Basic and Optional Accidental Death and Dismemberment Insurance Plan

1. The Company shall continue the Basic and Optional Accidental Death and Dismemberment Insurance Plan (AD&D). A pilot must comply with the requirements of the plan or lose or risk losing coverage. Coverage levels shall not be decreased during the term of this Agreement. A pilot's premium payments, if any, shall not be increased for equal amounts of coverage.
2. Basic AD&D Plan premiums shall be paid by the Company; Optional AD&D Plan premiums shall be paid by the pilot. Premium amounts for the optional coverage are provided in the AD&D Plan and the PBB.
3. The life insurance benefit provided under the basic portion of the AD&D Plan shall be fifteen thousand dollars (\$15,000). The life insurance benefit available under the optional portion of the AD&D Plan shall be available in increments; the first increment shall be thirty-five thousand (\$35,000) and all additional increments shall be fifty thousand dollars (\$50,000), up to a maximum optional benefit of two hundred thirty-five thousand dollars (\$235,000).
4. Eligibility for coverage under the optional portion of the AD&D Plan begins for a pilot upon his date of hire. Coverage under the optional portion of this plan shall begin on the first day of the month following the pilot's completion of the application procedure described in the PBB and upon the payment of the required premium. Coverage under the basic portion of this plan shall begin upon a pilot's date of hire, or if later, the first day he is actively at work.
5. Coverage under the AD&D Plan shall end as provided in the policy and the PBB.
6. Other restrictions, requirements and limitations of the AD&D Plan are described in the AD&D policy and the PBB.

E. Business Travel Accident Insurance Plan

1. The Company shall continue the Business Travel Accident Insurance Plan. A pilot must comply with the requirements of the plan or lose or risk losing coverage.
2. Business Travel Accident Plan premiums shall be paid by the Company.
3. The life insurance benefit provided under the Travel Accident Plan shall be \$150,000 if a pilot is traveling on Company business, including: (i) flying a Company aircraft as part of his occupation, or (ii) while traveling on Company business on any aircraft that is owned, rented, chartered or leased by the Company, even if the travel is for pleasure. The dismemberment provisions of the Travel Accident Plan are described in the PBB. They provide for a percentage ranging from 25% to 100% of the death benefit under the Travel Accident Plan to be paid upon a covered loss. Covered losses and the applicable dismemberment coverage amounts are listed in the Travel Accident Plan, policy, certificate, and the PBB.
4. Coverage under the Travel Accident Plan begins for a pilot upon his date of hire.
5. Coverage under the Travel Accident Plan shall end as provided in the policy and the PBB.

6. A pilot shall be covered from the time he starts a business trip from either work or home, whichever occurs last, and shall be covered throughout the business travel until returning to work or home, whichever occurs first. A pilot shall not be covered while commuting to and from work. For purposes of this paragraph, "work" shall include the airport in which deadhead or deviation travel originates or terminates, as applicable. A pilot who deviates is considered to be on business travel while traveling pursuant to the provisions of Section 8. Other restrictions, requirements and limitations are described in the Travel Accident Plan, policy, certificate, and the PBB.

F. Survivor Income Benefit Plan

1. The terms and conditions of the survivor benefit provided by the Federal Express Corporation Survivor Income Benefit Plan (the "FedEx SIB"), as described in the FedEx SIB policy and the PBB, shall continue with respect to pilots who die prior to January 1, 2007. Pilots who die on or after January 1, 2007 shall not be covered by the FedEx SIB.
2. SIB premiums shall be paid by the Company.

G. Group Health Plan

1. The Company shall provide to pilots (and their eligible covered spouses and dependents) medical benefits (including pharmacy and behavioral, mental health/substance abuse benefits, dental benefits and vision benefits, in accordance with the terms of the Federal Express Corporation Group Health Plan, as amended effective January 1, 2006. A pilot must comply with the requirements of the Plan, as in effect on January 1, 2006 or lose or risk losing coverage. Any changes to the Group Health Plan or the PBB regarding the Group Health Plan can only be made as provided in Section 27.A.3.
2. In 2007, the Company shall provide the same group health benefit options as those provided in 2006, and will also provide (except in California) open access under the CIGNA POS and CIGNA Network Plans. For coverage in 2007, the amounts of the monthly premiums payable by participants will be the same as the amounts payable for coverage in 2006.
3. Effective January 1, 2008, the Company shall provide the Base and Buy-Up group health benefit options, through Wellpoint/BCBS, as described in Section 27, Appendix A. A pilot may elect coverage for medical/pharmacy/mental health and substance abuse benefits only (through WellPoint/BCBS), dental benefits only, vision benefits only, or any combination. For 2008 and beyond, monthly premiums will be based on four separate coverage tiers.
4. The amounts of the monthly premiums payable for all group health benefits will be as follows:
 - a. Monthly premiums for 2008 are as follows:
 - i. For all coverages (medical/pharmacy, dental and vision):

	Base Plan	Buy-Up Plan
Pilot	\$20.00	\$50.00
Pilot + Child(ren)	\$80.00	\$120.00

Pilot + Spouse	\$95.00	\$140.00
Pilot + Family	\$120.00	\$190.00

Note: If dental coverage is not elected, subtract from the above premium the applicable amount from Section 27.G.4.a.ii. below, and if vision coverage is not elected, subtract from the above premium the applicable amount from Section 27.G.4.a.iii. below.

ii. For dental coverage only:

	Base Plan	Buy-Up Plan
Pilot	\$3.00	\$5.00
Pilot + Child(ren)	\$12.00	\$15.00
Pilot + Spouse	\$13.00	\$16.00
Pilot + Family	\$14.00	\$19.00

iii. For vision coverage only:

Pilot	2.00
Pilot + Child(ren)	4.00
Pilot + Spouse	4.00
Pilot + Family	6.00

- b. Monthly premiums for coverage in 2009 and 2010 may increase, but not by more than 10% over the monthly premiums for the immediately preceding year; provided, however, the sum of the increases for both 2009 and 2010 may not exceed 15%. For example, if the monthly premiums for 2009 are 8% higher than the monthly premiums for 2008, then the monthly premiums for 2010 can be no more than 7% higher than the monthly premiums for 2009.
 - c. For 2011 and beyond, the monthly premiums may increase, but not by more than 6% over the monthly premiums payable for the immediately preceding year.
5. The Company will offer to pilots (and their covered spouses and dependents) coverage under any HMO that the Company offers to any other employee, on terms no less favorable than the terms offered to any other employee. It is understood that the Company may discontinue coverage under any HMO.

6. As of October 30, 2006, but prior to January 1, 2008, coverage under the Group Health Plan for pilots and their eligible spouses and eligible dependents shall be as described in the Plan and the PBB. The Group Health Plan shall continue to provide that the spouse and eligible dependents of an active pilot who dies while an active employee will remain in the Company's Group Health Plan for 24 consecutive months following the pilot's death at the employee dependent coverage premium. Thereafter, the spouse/dependents shall be eligible to begin their period of COBRA coverage, which is 36 months.

Effective January 1, 2008, the Group Health Plan shall continue to provide that the spouse and eligible dependents of an active pilot who dies while an active employee will remain in the Company's Group Health Plan for 24 consecutive months following the pilot's death at the employee dependent coverage premium. Thereafter, the spouse/dependents shall be eligible to begin their period of COBRA coverage, which is 36 months.

Effective as of October 30, 2006, the Group Health Plan and the Retiree Group Health Plan shall be amended to provide that when an active employee age 55 or older dies after satisfying the eligibility requirements for Retiree Health Coverage, eligible dependents can participate in the Retiree Group Health Plan for two years at the cost in effect before the employee's death and, after two years, eligible dependents can continue coverage by paying the full cost, including the part that was paid by the Company until: (1) with respect to a dependent who is a surviving spouse, the date on which such dependent attains age 65 (or becomes Medicare eligible), or (2) with respect to a dependent who is a child of the pilot, the date on which such child no longer satisfies the definition of "dependent" as set forth in the Plan. Eligible dependents must decide if they wish to elect coverage under the Retiree Group Health Plan, but if they obtain or retain coverage under a Company-sponsored health plan (as the dependent of an active employee, or as an active employee, or by electing COBRA), they may elect coverage under the Retiree Group Health Plan but defer participation in that plan until the other coverage terminates. Eligible dependents may continue to participate in the Group Health Plan for the 36-month COBRA continuation period, subject to payment of the COBRA coverage rate (102% of cost) for the applicable coverage tier.

7. Coverage under the Group Health Plan ends for a pilot and his eligible, covered dependents as provided in the Plan and the PBB.
8. Payment of benefits from the Group Health Plan is subject to the Plan's right to reimbursement/subrogation, as described in the reimbursement/subrogation provisions of the Plans and as administered by the Company's agent for all other employees of the Company.
9. Other restrictions, requirements and limitations on each of the Group Health Plan options described above are set forth in the Group Health Plan and the PBB, and, effective January 1, 2008, Section 27, Appendix A.

H. Retiree Group Health Plan (Coverage for Retirees and Eligible Survivors)

1. The Company shall provide medical benefits (including pharmacy, behavioral, and mental health benefits), dental benefits and vision benefits to pilots who have retired on or after February 4, 1999, and their eligible covered spouses and dependents, and their eligible survivors, in accordance with the terms of the Federal Express Corporation Retiree Group Health Plan, as amended effective January 1, 2005. A pilot must comply with the requirements of the Retiree Group Health Plan, as in effect on January 1, 2005 or lose or risk losing coverage. Any changes to the Retiree Group Health Plan or the PBB regarding the Group Health Plan can only be made as provided in Section 27.A.3.
2. A retiring pilot is eligible for retiree coverage under the Retiree Group Health Plan if he:
 - a. was hired before January 1, 1988, is at least 55 years old, and has 10 years of continuous service with the Company after age 45;
 - b. was hired on or after January 1, 1988, or was a Flying Tiger employee who began to work for the Company on August 7, 1989, and is at least 55 years old, and has 20 years of continuous service after age 35 (Flying Tiger service plus FedEx service); or
 - c. is age 60 with at least five years continuous service immediately prior to age 60.

For purposes of this paragraph, "continuous service" means service that begins on the first day of employment with the Company in a permanent full-time or permanent part-time position and which is uninterrupted by resignation, retirement, discharge, reduction in force of more than two years, or reversion to a nonpermanent position.

3. Coverage under the Retiree Group Health Plan for a retired pilot and for the eligible survivors of active and retired pilots shall be as set forth under the plan document, except as follows:
 - a. With respect to (i) pilots who retire on or after February 4, 1999 but prior to January 1, 2008, after having satisfied the eligibility requirements for coverage under the Retiree Group Health Plan, and their eligible spouses and dependents, (ii) survivors of active and retired pilots who died on or after February 4, 1999 but prior to January 1, 2008, after having satisfied the eligibility requirements for coverage under the Retiree Group Health Plan, coverage under the Retiree Group Health Plan is as set forth in the Retiree Group Health Plan and the PBB, except that on or after January 1, 2008, such pilots may, if eligible:
 - i. make a one-time election to receive pre-Medicare coverage under the terms of the Company's Retiree Medical Plan for its non-pilot retirees; or
 - ii. make a one-time election to receive or continue to receive coverage under the terms of the Federal Express Corporation Retiree Group Health Plan; or
 - iii. make a one-time election to receive coverage under the Post-Medicare Plan described in Section 27.I. below.

- b. Pilots who retired on or after February 4, 1999 but prior to January 1, 2008, and who opted out of coverage under the Retiree Group Health Plan prior to January 1, 2008 shall be given a one-time opportunity to elect among the coverage options described in Section 27.H.3.a. above, if they are eligible.
- c. With respect to pilots who retire on or after January 1, 2008 and their eligible spouses and dependents, the Retiree Group Health Plan shall provide solely for coverage for the retiring pilot and/or his eligible spouse and dependents for the period prior to their attaining Medicare eligibility age. Pilots retiring on or after January 1, 2008 who have attained Medicare eligibility age may, if eligible, elect coverage under the Post-Medicare Plan described in Section 27.I. below.
- d. Effective as of October 30, 2006, the Retiree Group Health Plan shall be amended to provide that the following individuals are eligible for coverage:
 - i. Retired Pilots. A retired pilot, and the retired pilot's eligible spouse and eligible dependents, are eligible for coverage if the pilot retires on or after February 4, 1999 after having satisfied the age and service eligibility requirements for retiree health coverage under the plan provisions in effect on the date of the pilot's retirement.
 - ii. Pilot's Eligible Surviving Spouse and Eligible Surviving Dependents. A pilot's eligible surviving spouse and eligible surviving eligible dependents (as determined under the plan provisions in effect on the date of the pilot's retirement) will be eligible to continue coverage under the Retiree Group Health Plan as provided below. Except for the COBRA period, the eligibility of a surviving dependent other than a surviving spouse will end no later than the date the individual no longer meets the definition of an eligible dependent.
 - A. Death of Pilot While Retired (Pilot Dies On or After October 30, 2006). The following provision applies to the eligible surviving spouse and eligible surviving dependents of pilots who retired on or after February 4, 1999 and died on or after October 30, 2006.
 - 1. For the first 24 months after the retired pilot's death (or until such survivors are no longer eligible dependents under the terms of the retiree health plan), such eligible survivors may continue in the retiree health plan subject to making a monthly contribution in the amount a retired pilot would pay for the applicable coverage tier.
 - 2. After the first 24 months and until eligibility for Medicare (or until such survivors are no longer eligible dependents under the terms of the Retiree Group Health Plan), such eligible survivors may continue participation in the Retiree Group Health Plan, subject to making a monthly contribution equal to 100% of the cost of the applicable coverage tier.
 - 3. After eligibility for Medicare (or after such date as the survivors are no longer eligible dependents under the terms of the retiree health plan), such eligible survivors may continue participation in the Retiree Group Health Plan for 36 months subject to paying

the COBRA rate (102% of cost) for the applicable coverage tier.
(Note: Such survivors may also be eligible to participate in the retired pilot Post-Medicare VEBA.)

B. Death of Pilot While Retired (Pilot Dies Prior to October 30, 2006).
This provision applies to the eligible surviving spouse and eligible surviving dependents of pilots who retired on or after February 4, 1999 and died prior to October 30, 2006.

1. For the first 12 months after the retired pilot's death (or until such survivors are no longer eligible dependents under the terms of the retiree health plan), such eligible survivors may continue in the retiree health plan subject to making a monthly contribution in the amount a retired pilot would pay for the applicable coverage tier.
2. After the first 12 months and until eligibility for Medicare (or until such survivors are no longer eligible dependents under the terms of the retiree health plan), such eligible survivors may continue in the retiree health plan subject to making a monthly contribution equal to 100% of the cost of the applicable coverage tier.
3. After eligibility for Medicare (or after such date as the survivors are no longer eligible dependents under the terms of the Retiree Group Health Plan), such eligible survivors may continue in the Retiree Group Health Plan for 36 months subject to paying the COBRA rate (102% of cost) for the applicable coverage tier. Such eligible survivors may also be eligible to participate in the retired pilot Post-Medicare VEBA described in Section 27.I. below.

C. Death of Pilot While on Seniority List, After Meeting Age and Service Eligibility Requirements for Retiree Health Coverage. This provision applies to the eligible surviving spouse and eligible surviving dependents of pilots who died while on the seniority list, on or after October 30, 2006, and after meeting the age and service eligibility requirements for coverage under the Retiree Group Health Plan.

1. For the first 24 months after the pilot's death (or until such survivors are no longer eligible dependents under the terms of the Retiree Group Health Plan), such eligible survivors may continue in the Group Health Plan subject to making a monthly contribution in the amount an active pilot would pay for the applicable coverage tier.
2. After the first 24 months following the pilot's death, such eligible survivors may elect coverage under the Retiree Group Health Plan but defer commencement of coverage in the Retiree Group Health Plan and continue in the Group Health Plan for 36 months subject to paying the COBRA rate (102% of cost) for the applicable coverage tier (At any time during the 36-month COBRA period, the eligible survivors may request

commencement of coverage under the Retiree Group Health Plan).

3. In lieu of the option described in paragraph 2. above, after the first 24 months and until eligibility for Medicare (or until such survivors are no longer eligible dependents under the terms of the Retiree Group Health Plan), such eligible survivors may participate in the Retiree Group Health Plan, subject to making a monthly contribution equal to 100% of the cost of the applicable coverage tier.
 4. After eligibility for Medicare (or after such date as the survivors are no longer eligible dependents under the Retiree Group Health Plan), such eligible survivors may continue in the Retiree Group Health Plan for 36 months subject to paying the COBRA rate (102% of cost) for the applicable coverage tier. Such eligible survivors may also be eligible to participate in the retired pilot Post-Medicare VEBA described in Section 27.I. below.
- D. Death of Pilot While on Seniority List, Before Meeting Age and Service Eligibility Requirements for Retiree Health Coverage. This provision applies to the eligible surviving spouse and eligible surviving dependents of pilots who die while on the seniority list and on or after October 30, 2006, but before meeting the age and eligibility requirements for retiree health coverage.
1. For the first 24 months after the pilot's death (or until such survivors are no longer eligible dependents under the terms of the Group Health Plan), such eligible survivors may continue in the Group Health Plan subject to making a monthly contribution in the amount an active pilot would pay for the applicable coverage tier.
 2. For the next 36 months, such eligible survivors may continue in the Group Health Plan subject to paying the COBRA rate (102% of cost) for the applicable coverage tier.
- e. Any Company cost for providing pre-Medicare coverage which is in excess of one and one-half times the Company's fiscal 1993 per capita projected cost (\$4,813 annually for each Pre-Medicare eligible retired pilot, spouse or surviving spouse) shall be paid by the retired pilot.
- f. Prior to January 1, 2008, the monthly premium contribution for a retired pilot and his eligible spouse and dependents and for eligible survivors is as follows:

	Pre-Medicare		
Plan Option	Retiree	Spouse	Child
CIGNA POS	\$273	\$284	\$60*
CIGNA Network	\$273	\$284	\$60*
Retiree Basic	\$273	\$284	\$60*
Puerto Rico PPO	\$273	\$284	\$60*

*\$62 if child is disabled and eligible for Medicare.

- g. On and after January 1, 2008, the monthly premium for a retired pilot and his eligible spouse and eligible dependents and for eligible survivors is as follows:
 - i. The Company will pay the first \$401.08 per month (\$4,813 annually) of the total cost of health coverage for each Pre-Medicare eligible retired pilot and the same amount for each eligible spouse and the same amount for each eligible surviving spouse (i.e., the Company's fiscal 1993 per capita cap is maintained). The remainder of the total cost for each pilot and for each spouse will be paid by the covered individual, either from the assets in the individual's Health Reimbursement Account (HRA), if any, or from the individual's other assets.
 - ii. For all dependent children and all surviving dependent children (not per child), the participant's contribution for coverage will be \$45/month for the Base Plan, \$55/month for the Buy-Up Plan, and \$25/month for the high deductible plan.

For this purpose, "total cost" will be determined by the actuarial firm selected by the Company, exercising its best professional judgment, based on the total blended cost of all retired pilots and non-pilot retirees (and spouses, other dependents and survivors) participating in Pre-Medicare health benefits. Such determination (and supporting data) regarding the pilots' costs will be shared with the Association in advance of each open enrollment period. (Note: The Company and Association will consult regarding the legality and appropriateness under generally accepted accounting principles of blending the experience of retirees and actives for this purpose.)

- h. Eligible spouses and dependents on the date that a pilot commences coverage under the Retiree Group Health Plan, and eligible survivors of retired pilots, are eligible for coverage under the Retiree Group Health Plan and the PBB, subject to the provisions in effect on the date of the pilot's retirement.
 - i. A retired pilot shall have the option of having his monthly Retiree Group Health Plan premiums deducted from his monthly pension check. He may also have the option of paying these premiums by check on a monthly basis.
4. Coverage under the Retiree Group Health Plan
- a. With respect to a pilot who retires on or after February 4, 1999 but prior to January 1, 2008, such retiring pilot can elect any coverage option available in his geographic area, as described herein. If the retiring pilot fails to make an election, he will be automatically enrolled in the default option selected by the Company's Employee Benefits Department for similarly situated retirees of his age and in his geographic location, and at the same level (employee only, employee + spouse, etc.) at which he was covered immediately prior to his retirement, based on his eligible dependents, if he has remitted payment within 31 days of notification. He shall remain covered by that option unless and until he fails to remit the required monthly premium. During the next

annual enrollment period, he may change to any coverage option available to retirees in his geographic area.

- b. Effective January 1, 2008, coverage options available to pilots who retired on or after February 4, 1999 and who are not eligible for Medicare, such pilots' eligible spouses and dependents and eligible survivors, and the eligible survivors of active pilots, shall be the Base and Buy-Up options provided through Wellpoint/BCBS, as described in Section 27, Appendix A, and a separate high-deductible option, as described in Section 27, Appendix B. Additionally, dental and vision coverage shall be offered separately from medical/pharmacy/mental health-substance abuse-EAP. Effective as of the October 30, 2006, the monthly premium contribution for a retired pilot's dependent children or for all surviving dependent children is as follows: \$45/month for the Base Plan, and \$55/month for the Buy-Up Plan. The premium contributions for the High Deductible Option are as set forth in Section 27, Appendix B.
5. Payment of benefits from the Retiree Group Health Plan is subject to the Plan's right to reimbursement/subrogation, as described in the reimbursement/subrogation provisions of the Plan and as administered by the Company's agent for all other employees of the Company.
6. Other restrictions, requirements and limitations on each of the Retiree Group Health Plan options described above are set forth in the Retiree Group Health Plan and the PBB, and as described herein.
7. Health Reimbursement Accounts. In accordance with the following, the Company will establish, fund, invest and administer a Voluntary Employees Beneficiary Association (VEBA) with individual Health Reimbursement Accounts (HRAs) for the following individuals:
 - a. For each eligible pilot who retired after May 31, 2004 but before August 26, 2006, the Company will deposit the signing bonus otherwise to be provided to these pilots into an individual HRA in the same amount as they would have received under the signing bonus program. A retired pilot is eligible to receive such contribution if he met the age and service requirements for coverage under the Retiree Group Health Plan at his retirement. The Company will make the payment to the HRAs under the VEBA upon establishment of the VEBA, to occur not later than January 28, 2007 (90 days after October 30, 2006).
 - b. For each eligible active pilot (i) having a seniority list number on August 25, 2006 , (ii) who has attained at least age 53 before January 1, 2007, (iii) who is expected to meet the age and service requirements for coverage under the Retiree Group Health Plan as of his attainment of age 60 or older, and (iv) who retires on or after August 26, 2006, the Company will make a one-time cash payment of restricted signing bonus to the VEBA equal to \$25,000. Such contributions shall be made no later than January 28, 2007 (90 days after October 30, 2006). The contribution and interest attributable thereto shall be transferred to the HRA established with respect to that pilot upon the date that the pilot attains age 59, or if earlier, as soon as practicable after the pilot dies. If a pilot attains age 59 or dies prior to the

date that the Company funds the VEBA pursuant to this Section 27.H.7.b., the contribution and interest attributable to such pilot shall be transferred to the HRA as soon as possible after the date on which the Company funds the VEBA.

- c. HRA contributions will not be reduced for a pilot who continues as an active employee past age 60.
 - d. There is no requirement that a pilot participate in a Company-sponsored Pre-Medicare health care plan when he retires in order to use his HRA or to receive an HRA contribution.
 - e. A pilot's HRA may be used for reimbursement of any qualified medical expenses while retired, including participant premium contributions, whether before or after Medicare eligibility. Any unused amounts in the HRA at the time of the pilot's death (whether before or after retirement) may be used for reimbursement of any qualified medical expenses of the eligible surviving spouse and any other eligible surviving dependents. Any unused amounts in the HRA at the last to die of the pilot, eligible surviving spouse and eligible surviving dependents will be forfeited to the VEBA.
 - f. Amounts forfeited to the VEBA will be applied to pay the reasonable administrative expenses of the VEBA.
 - g. The Company will pay all administrative expenses of the VEBA in excess of administrative expenses paid out of forfeitures pursuant to the above paragraph.
 - h. Participants will be allowed to access their HRA by using a debit card.
- I. Post-Medicare Retiree Health

1. With respect to any pilot retiring on or after February 4, 1999 but prior to January 1, 2008 who attains Medicare eligibility age prior to January 1, 2008, such retired pilot and the eligible dependents of such pilot, if any, shall continue to participate in the Retiree Group Health Plan, subject to the terms and conditions of that Plan. Any Company cost for providing pre-Medicare coverage or post-Medicare coverage which is in excess of one and one-half times the Company's fiscal 1993 per capita projected cost for each pre-Medicare eligible or Medicare-eligible retired pilot, eligible spouse or eligible surviving spouse shall be paid by the retired pilot.

For the period beginning January 1, 2007 and ending December 31, 2007, the monthly premium contribution for a retired pilot and his eligible spouse and other eligible dependents is as follows:

	Medicare Eligible		
Plan Option	Retiree	Spouse	Child
CIGNA POS	N/A	N/A	N/A
CIGNA Network	N/A	N/A	N/A
Retiree Basic	\$349	\$360	\$60*
Puerto Rico PPO	\$349	\$360	\$60*

*\$62 if child is disabled and eligible for Medicare.

2. With respect to pilots who retire on or after January 1, 2008 and their eligible dependents, the Retiree Group Health Plan shall provide solely for coverage for the retiring pilot and/or his eligible dependents for the period prior to their attaining Medicare eligibility age. The Association shall establish, sponsor and maintain a Post-Medicare Retiree Health Plan ("Post-Medicare Plan") and Voluntary Employees' Beneficiary Association ("VEBA"), to be effective January 1, 2008. Pilots retiring prior to January 1, 2008 who have attained Medicare eligibility age may, if eligible, elect coverage under the Post-Medicare Plan described in this Section 27.I., below. The Post-Medicare Plan and VEBA are collectively bargained for purposes of Internal Revenue Code Sections 419 and 419A.
3. The Company will make a lump sum contribution to the VEBA of \$3.2 million, payable no later than November 30, 2006, with an additional \$40 million contribution to be made to the VEBA no later than June 1, 2007.

As soon as practicable after October 30, 2006, but not later than January 1, 2007, the Company will contribute to the VEBA 50 cents of each paid credit hour for each pilot having a seniority list number (which would otherwise be paid to the pilot in cash) as the pilot's ongoing monthly contribution to the Post-Medicare Plan/VEBA. The Company shall remit such contributions to the VEBA no later than the 15th day of the calendar month following the calendar month during which the credit hours were actually paid. On the effective date of the Company's contribution of 50 cents per paid credit hour, the hourly pay rates agreed upon for pilots will be established as book rates. Actual pay rates will be 50 cents less per hour. All retirement and welfare benefits based on pay will be based on pay determined under the book rates. The purpose of this provision is to allow the ongoing monthly VEBA contributions of 50 cents per paid credit hour to be funded out of compensation that would otherwise be paid directly to pilots in cash.

Lump sum and monthly contributions will be placed in an interest-bearing escrow account until the VEBA is established.

4. The Post-Medicare Plan/VEBA will be administered by the Administrative Board (Board), which will be composed of three regular members and two alternate members. The President of the Association will appoint and remove all members, based on the recommendations of the FedEx MEC. Two regular members and one alternate member will be retired pilots, and one regular member and one alternate member will be active pilots. Regular and alternate members may attend all meetings of the Board. Each regular member has one vote. The alternate member who is a retired pilot may vote in the absence of a regular member who is a retired pilot, and the alternate member who is an active pilot may vote in the absence of the regular member who is an active pilot. A quorum is established by two retired pilot members and one active pilot member. Decisions of the Board will be made by majority of the three members voting. The Board will select, monitor and replace all vendors and other providers of services to the Post-Medicare Plan (e.g., medical plan administrator(s), trustee(s), investment manager(s)). The Board will determine the Post-Medicare Plan's investment policy and will have full responsibility for investment of the VEBA funds. The Board will determine benefits to be provided

under the Post-Medicare Plan, as provided below. Board members are fiduciaries subject to ERISA's standards of conduct for fiduciaries. The Administrative Board will determine the reasonable administrative expenses which may be paid by the Post-Medicare Plan/VEBA.

5. The Association will prepare and adopt the Post-Medicare Plan and VEBA documents. The Association shall have the sole power to amend the Post-Medicare Plan and VEBA at any time, without the Company's consent, provided that no modification (i) shall conflict with the terms of this Agreement, or (ii) shall increase the obligations of the Company under this Agreement without the Company's consent.
6. The Administrative Board will determine all medical, pharmacy, dental and vision benefits under the Plan. After the Plan's inception, the Administrative Board may modify benefits provided under the Plan, subject to MEC approval; provided, however, that MEC approval is not required for changes that are consistent with the Pre-Medicare plan options, or are de minimus. The Administrative Board is obligated to seek modifications to the Plan (subject to MEC approval) that the Board reasonably determines are necessary or appropriate to maintain the viability of the Plan. All individual benefit claims and appeals of individual benefit claims under the Plan will be filed with and decided by the vendors hired by the Administrative Board, pursuant to such vendors' standard procedures. The CBA's grievance procedures will not apply to any individual benefit claims or appeals of individual benefit claims under this Plan.
7. The Administrative Board will determine the amount of participant contributions required to maintain coverage under the Post-Medicare Plan. Participant contributions may be made by automatic deduction from the pension payment, or by automatic bank draft, or automatic payment from the participant's Health Reimbursement Account ("HRA") if any.
8. Any assets remaining in the VEBA in the event of termination of the Plan will be distributed to the following individuals, in such shares as determined by the Administrative Board:
 - a. Retired pilots participating in the Plan upon Plan termination;
 - b. Retired pilots who would have participated in the Plan but who, as of Plan termination, have not yet attained Medicare eligibility age;
 - c. Pilots on whose behalf the Company has remitted any monthly contributions of \$.50 of such pilot's hourly book rate;
 - d. Survivors participating in the Plan upon Plan termination.
9. The following retired pilots, eligible spouses and eligible dependents, and eligible survivors, shall be eligible to participate in the Post-Medicare Plan ("Eligible Individuals"):
 - a. A retired pilot who has attained Medicare eligibility age, and the retired pilot's eligible spouse who has attained Medicare eligibility age, are eligible for coverage under the Post-Medicare Plan if the pilot retires on or after February 4, 1999 after having satisfied the age and service eligibility requirements for retiree health coverage under the Retiree Group Health Plan. The retired pilot's eligible spouse and eligible dependents who are not

eligible for Medicare will remain in the Retiree Group Health Plan until they are either eligible for Medicare, then enter the Post-Medicare Plan, or in the case of a dependent child, cease to be eligible for coverage under the Retiree Group Health Plan.

- b. Pilot's Eligible Surviving Spouse and Eligible Surviving Dependents. A pilot's eligible surviving spouse who has attained Medicare eligibility age is eligible for coverage under the Post-Medicare Plan if the pilot:
 - i. Retired on or after February 4, 1999 after having satisfied the age and service eligibility requirements for coverage under the Retiree Group Health Plan; or
 - ii. Died on or after October 30, 2006, while on the seniority list, after having satisfied the age and service eligibility requirements for coverage under the Retiree Group Health Plan; or
 - iii. Died on or after February 4, 1999 but before the October 30, 2006, while on the seniority list, after having satisfied the age and service eligibility requirements for coverage under the Retiree Group Health Plan, if such pilot had elected coverage under the Retiree Group Health Plan, pursuant to the one-time election made available under that plan, referenced in Sections 27.H.3.a. and b. above.
- c. The eligibility of a retired pilot or such pilot's eligible spouse for coverage under the Post-Medicare Plan will begin when that individual attains Medicare age.
- d. No individual may be covered under the Post-Medicare Plan unless, immediately prior to coverage under the Post-Medicare Plan, the individual was covered under either the Group Health Plan or the Retiree Group Health Plan, except as follows: As soon as possible after establishment of the Post-Medicare Plan, the Administrative Board will conduct a single open enrollment period allowing retired pilots who are otherwise eligible for coverage (and their eligible spouse and eligible dependents) to elect coverage under the Post-Medicare Plan even though, at that time, they are no longer covered under the Group Health Plan or the Retiree Group Health plan because they had previously "opted out" of such coverage. The Company will use its best efforts to determine who is eligible for coverage under the Post-Medicare Plan pursuant to this provision, and will so inform the Board.

- e. An Eligible Individual becomes a participant in the Post-Medicare Plan unless he opts out. Once an individual opts out of Plan coverage, the individual cannot return to Plan coverage. The Administrative Board will establish guidelines for opt-out and deferral of enrollment. An individual's participation will terminate at the earliest of the following events:
 - i. Failure to pay premium;
 - ii. Death;
 - iii. Individual first opts out of coverage under the Post-Medicare Plan.
- 10. With the exception of the remittance of contributions on behalf of pilots as described in Section 27.I.3. above, the Company will have no administrative responsibility for the Post-Medicare Plan/VEBA. However, the Company will provide to the Administrative Board such relevant data as is readily available from the Company's records (or its vendors' records) and which is necessary or appropriate for the Administrative Board's proper administration of the Post-Medicare Plan.

The Company agrees to provide to the Administrative Board an initial file of Eligible Individuals and thereafter a weekly file containing new Eligible Individuals. The Company shall have no further responsibility regarding the determination of an Eligible Individual's eligibility for coverage under the Post-Medicare Plan.
- 11. The parties agree that at the time this Agreement becomes amendable, the Association and the Company will negotiate further with respect to appropriate future contributions to the VEBA. Ninety days prior to the amendable date, the Association agrees to provide (or have the vendor provide) relevant data, information, claim experience, etc. to the Company in anticipation of and solely with respect to these negotiations.

J. Disability Plan

- 1. Except as provided herein, the terms and conditions of the Federal Express Corporation Long Term Disability Plan for Crew Members (the "LTD") shall remain the same and shall not be amended without the consent of the Association, which consent shall not be unreasonably withheld.
- 2. A pilot shall be eligible for LTD benefits upon exhaustion of his disability sick account, as described in Section 14, or upon his experiencing a seat change or moving to a non-pilot position because of disability, as described in the LTD plan document and the PBB. Except as provided in Sections 27.J.6. and 27.J.7. below, disability benefits paid to pilots who are disabled prior to October 30, 2006 shall be governed by the terms of the disability plans in effect on the date of commencement of the disability. Pilots who become disabled on or after October 30, 2006 shall be governed by the provisions below.
- 3. LTD benefits payable to a pilot whose disability commences on or after October 30, 2006 shall equal 60% of monthly earnings for the first 24 months that a pilot is eligible to receive benefits under the LTD plan. Thereafter:
 - a. Benefits payable to a captain or first officer who becomes disabled and continues to have an occupational disability through the earlier of the date

on which such pilot (1) ceases to be disabled, or (2) attains age 65 (or, if the Company no longer employs second officers, regulated age), shall equal 50% of monthly earnings, as described in Section 27.J.5. herein.

- b. Benefits payable to a second officer (while the Company employs second officers) who becomes disabled and who continues to have an occupational disability through the earlier of the date on which such pilot (1) ceases to be disabled, or (2) the later of the date on which the pilot attains age 65 or receives benefits under the LTD Plan for five (5) years, shall equal 50% of monthly earnings, as described in Section 27.J.5. herein.
4. The Company shall pay the full cost of such coverage.
5. Monthly earnings shall continue to be defined as a pilot's basic monthly compensation, i.e., the 12 highest consecutive months out of the 36 consecutive months preceding the disability period.
6. As of June 1, 2006, a pilot's monthly benefit during the first 24 months of disability may not exceed \$11,000 per month, subject to the limitations set forth in Code § 401(a)(17). As of June 1, 2006, a pilot's monthly benefit following the first 24 months of disability may not exceed \$9,166.66 per month, subject to the limitations set forth in Code § 401(a)(17). Increases to this limit shall be indexed based on periodic adjustments to the limitations of Code § 401(a)(17).
7. The provisions of Section 27.J.6. above notwithstanding, on and after October 30, 2006, the monthly benefits of pilots in pay status, which are capped by the limitations of Code § 401(a)(17), will be adjusted, up to the 60% or 50% level, as applicable, but not to exceed the amount permitted pursuant to the limitations of Code § 401(a)(17) at the time of such adjustment. The benefit amount adjustments made under this Section 27.J.7. are not intended to be one-time adjustments; rather, adjustments will continue to be made in the future, for benefits paid thereafter, at the time of future adjustments to the limitations of Code § 401(a)(17). This Section 27.J.7. shall apply to all pilots, whether their benefits began before or after the signing of this Agreement.
8. Current LTD provisions concerning the offset for wages earned by a pilot who experiences a disability related seat change or disability related move to a non-pilot position shall remain in effect as provided in the LTD plan document and the PBB.
9. After completion of the LTD's 24-month occupational disability period at 60% of monthly earnings, a pilot shall be eligible to receive occupational disability benefits thereafter at 50% of monthly earnings until he is no longer entitled to disability benefits, as provided in Section 27.J.3. If, after the 24 month period, such pilot continues to be unable to hold a 2nd class medical certificate at any time from the date of his attainment of the regulated age through the date of his 65th birthday, he shall be eligible to receive occupational disability benefits equal to the lesser of (1) 50% of such pilot's projected monthly earnings as a Second Officer, or (2) his occupational disability benefit immediately prior to his attainment of the regulated age. A pilot's projected monthly earnings as a Second Officer shall be determined by multiplying the credit hours used in calculating his Basic Monthly Compensation (as defined in the LTD Plan) by the rate of pay in effect for Second Officers at the time that such pilot attains the

regulated age. The "pay rate in effect for Second Officers" shall mean, with respect to any pilot whose benefit is calculated pursuant to this provision, the hourly pay rate in effect on the date that the pilot attains the regulated age for the highest second officer position that the pilot could hold as of the date he attained the regulated age..

10. Pilot disability for mental disorders, as currently defined in the LTD, shall remain at 60 months.
11. Pilot disability for alcohol and substance abuse shall remain at a maximum of 26 weeks.
12. Payment of benefits from the LTD is subject to the Plan's right to reimbursement/subrogation, as described in the reimbursement/subrogation provisions of the Plan and as administered by the Company's agent for all other employees of the Company.
13. An LTD reduction arising out of other employment or self-employment during the term of a pilot's disability shall be applicable to a pilot only after the disability payments plus the outside income earned by the pilot exceed the pilot's pre-disability income. For purposes of this provision, a pilot's pre-disability income shall be measured as the average earnings (Company and outside earned income) over the 12 months immediately preceding the pilots disability.

For example, a pilot programs software as a side business in addition to flying. He breaks his arm on July 1, 1998 and goes on LTD disability after his sick leave runs out on September 1, 1998. Between July 1, 1997, and July 1, 1998, the pilot made \$100,000 as a FedEx pilot and \$25,000 in his software business, for a monthly average total of \$10,416.66. While on disability, the pilot continues to program software and makes \$4,000 per month in addition to drawing a monthly disability of \$5,000.00 (for the first 24 months; \$4,166 thereafter) from the Company. The \$9,000.00 monthly average income is below the \$10,416.66 he earned before his disability, so no offset is required. If however, the pilot earned \$7,000 per month in the software business, then his total monthly earnings (\$12,000.00) would exceed his combined predisability monthly income (\$10,416.66) by \$1,583.34. In this situation, a monthly disability reduction of 50% of the \$1583.34, or \$791.67 per month would be required.

14. Disability benefit payments under the LTD shall end as described in the LTD plan document and PBB.
15. LTD benefits shall be reduced by other benefits and income received during the disability period, as described in the LTD plan document and the PBB, except: (i) as provided in Section 27.J.13 above, and (ii) the amount of a pilot's Social Security Disability Income which shall be offset from his LTD benefits shall be equal to 70% of the Social Security Disability Income payable to the pilot (excluding any amount payable to the pilot on account of any member of the pilot's family).
16. A pilot claiming LTD benefits shall not receive such benefits unless his claim is substantiated by significant objective findings of disability as defined in the LTD plan document and the PBB.

17. A pilot shall be subject to restrictions on recurring disability periods as described in the LTD plan document and the PBB.
 18. LTD benefits shall not be paid for a disability caused by an excludable condition listed in the LTD plan document and the PBB.
 19. During the period that a pilot is on disability, the pilot shall have access to Company communications systems including PRISM and Company E-mail.
- K. Dependent Care Reimbursement Plan
Pilots shall continue to be permitted to participate in the Federal Express Corporation Dependent Care Reimbursement Plan, under the same terms and conditions as other employees of the Company.
- L. Health Care Contribution Plan
Pilots shall continue to be permitted to participate in the Federal Express Corporation Health Care Contribution Plan, under the same terms and conditions as other employees of the Company.
- M. Health Care Reimbursement Account Plan
Effective as of January 1, 2007, pilots shall be permitted to participate in the Federal Express Corporation Health Care Reimbursement Plan, under the same terms and conditions as other employees of the Company, except that the maximum contribution/reimbursement amount for pilots shall not be less than \$3,000, and pilots will be able to use a debit card to access their accounts under the Plan.
- N. Long Term Care Plan
Pilots shall continue to be permitted to participate in the Federal Express Corporation Long Term Care Plan, under the same terms and conditions as other employees of the Company.
- O. Group Legal Services Plan
Pilots shall continue to be permitted to participate in the Federal Express Corporation Group Legal Services Plan, under the same terms and conditions as other employees of the Company.
- P. Metpay
Pilots shall continue to be permitted to participate in the MetPay program, under the same terms and conditions as other employees of the Company.
- Q. Pilot Benefit Review Board
1. A Pilot Benefit Review Board shall be established for the Insurance Plans and the Retirement Plans described in Section 28.
 2. The Pilot Review Board ("Review Board") shall consist of an equal number of members appointed by the Company and members appointed by the Association. Each party shall appoint up to three members. Vacancies in the membership of the Review Board shall be filled by appointment of the respective parties.

3. The Review Board may convene meetings at its discretion, or whenever a majority of the members of the Review Board make a written request for a meeting at least fourteen days prior to the meeting date.
4. The Review Board may convene meetings in person, by telephone conference, or by other electronic means as mutually agreed upon.
5. Any pilot who seeks review by the Board must make a request in writing no later than one hundred twenty (120) days following the date on which a decision is rendered on appeal. The Review Board may, in its discretion, waive the one hundred twenty day period if circumstances warrant, in order to insure a full and fair review of a pilot's claim. A pilot who requests a review by the Review Board shall have at least thirty (30) days from the date of his request to submit any written statement or other documentation for the Review Board's consideration during its review. The Review Board is not required to conduct a formal hearing with respect to the review of any claim presented by a pilot.
6. A majority of the Review Board, sitting without a neutral member, shall constitute a quorum. Each member of the Review Board shall have one vote. In the event that one member is absent from a meeting, such member may give his proxy to another member. Proxies must be in writing.
7. A decision by majority vote shall be final and binding on all parties, and the Review Board shall issue a written decision within thirty (30) days after the vote.
8. In the event of a deadlock vote, the Review Board shall convene a meeting, which shall be chaired by a neutral arbitrator, to render its decision. The neutral arbitrator shall be selected from a panel of arbitrators designated jointly by the Company and the Association. Such panel shall be comprised of members of the National Academy of Arbitrators and experienced in both airline arbitration and pension or other relevant employee benefit issues. A decision by majority vote shall be final and binding on all parties, and the Review Board shall issue a written decision within thirty (30) days after the vote.
9. Should vacancies occur on the panel of neutral arbitrators, the parties shall attempt to agree on a replacement within thirty (30) days after the vacancy occurs. If the parties are unable to agree on a replacement, the vacancy shall remain unfilled unless there are too few arbitrators to preside over required meetings, in which case the parties may select an arbitrator by the alternative strike method from a list of arbitrators provided by the National Mediation Board who are members of the National Academy of Arbitrators to preside over scheduled meetings on an ad hoc basis.

Section 27 Appendix A

Pilot BlueCard Plan Provided through Wellpoint/BCBS

1. MEDICAL AND PHARMACY BENEFITS

BENEFIT	Buy Up Option		Base Option	
	Network Provider	Non-Network Provider	Network Provider	Non-Network Provider
Coinsurance	100%	70% after deductible	90% after deductible	70% after deductible
Deductible (applies to all coinsurance except Pharmacy)	No annual deductible	<ul style="list-style-type: none"> \$250 per individual \$750 family 	<ul style="list-style-type: none"> \$250 per individual \$750 family 	<ul style="list-style-type: none"> \$250 per individual \$750 family
Maximum Out-of-Pocket (includes Deductible)	N/A except California (subject to change by California Mandates, if applicable): <ul style="list-style-type: none"> \$1,150 per individual \$3,450 family All copayments apply to California out-of-pocket maximum except prescription drug copayments	<ul style="list-style-type: none"> \$3,250 per individual \$9,750 family 	<ul style="list-style-type: none"> \$2,000 per individual \$6,000 family 	<ul style="list-style-type: none"> \$3,250 per individual \$9,750 family
PCP Office Visit	\$20 Primary Care copay (Internal Medicine, Pediatrician, General Practice, Family Practice)	70% after deductible	\$20 Primary Care copay (Internal Medicine, Pediatrician, General Practice, Family Practice)	70% after deductible
Specialist Office Visit	\$40 copay	70% after deductible	\$40 copay	70% after deductible
Preventive Services	100% (based on vendor standard guidelines)	70% after deductible	100% (based on vendor standard guidelines)	70% after deductible
Lab and x-ray	100% If services performed in physician office, may be subject to office visit payment.	70% after deductible	90% after deductible If services performed in physician office, may be subject to office visit payment.	70% after deductible
Chiropractic Services (\$1,750 annual maximum benefit)	\$20 copay each visit	70% after deductible	90% after deductible	70% after deductible

BENEFIT	Buy Up Option		Base Option	
	Network Provider	Non-Network Provider	Network Provider	Non-Network Provider
Physical Therapy, Speech Therapy, Occupational Therapy	Inpatient: 100% coverage Outpatient: \$20 copay	70% after deductible	Inpatient: 90% after deductible Outpatient: \$20 copay	70% after deductible
Inpatient Hospital Services	\$150 copay, then 100%	\$150 copay, then 70% after deductible	\$150 copay, then 90% after deductible	\$150 copay, then 70% after deductible
Maternity Office Visits	\$20 copay @ 1 st visit; then 100%	70% after deductible	\$20 copay each visit	70% after deductible
Outpatient Surgery Copayment	\$50 copay then 100%	\$50 copay then 70% after deductible	\$50 copay then 90% after deductible	\$50 then 70% after deductible
Emergency Services	<ul style="list-style-type: none"> – \$75 copay (waived if admitted) then 100% in an emergency – If not a true emergency, services are covered at the out-of-network level (70% after deductible) – Ambulance: 100% 	<ul style="list-style-type: none"> – \$75 copay (waived if admitted) then 100% in an emergency – If not a true emergency, services are covered at the out-of-network level (70% after deductible) – Ambulance: Covered at the in-network level if an emergency. If not a true emergency, 70% after deductible 	<ul style="list-style-type: none"> – \$75 copay (waived if admitted) then 90% after deductible in an emergency – If not a true emergency, services are covered at the out-of-network level (70% after deductible) – Ambulance: 90% after deductible 	<ul style="list-style-type: none"> – \$75 copay (waived if admitted) then 90% after deductible if an emergency – If not a true emergency, services are covered at the out-of-network level (70% after deductible) – Ambulance: Covered at the in-network level if an emergency. If not a true emergency, 70% after deductible
Urgent Care Facility	\$35 copay then 100%	\$35 copay then 70% after deductible	\$35 copay then 90% after deductible	\$35 copay then 70% after deductible
Skilled Nursing Facility	100%	70% after deductible	90% after deductible	70% after deductible
In-Patient Rehabilitation	100%	70% after deductible	90% after deductible	70% after deductible
Home Health Care Services	100%	70% after deductible	90% after deductible	70% after deductible
Hospice	100%	70% after deductible	90% after deductible	70% after deductible
Durable Medical Equipment (DME)/	100%	70% after deductible	90% after deductible	70% after deductible

BENEFIT	Buy Up Option		Base Option	
	Network Provider	Non-Network Provider	Network Provider	Non-Network Provider
External Prosthetic Devices				
Pharmacy: Retail	\$7.50/\$35/\$55 (Covered individual pays the cost of the drug if less than the copayment.)	50% (In no case can the 50% insurance be less than what would have been paid in-network.)	\$10/\$25/\$50; may be increased by the company up to \$4 annually for second and third tiers (Covered individual pays the cost of the drug if less than the copayment.)	50% (In no case can the 50% insurance be less than what would have been paid in-network.)
Pharmacy: Mail Order	\$7.50/\$65/\$115	Not covered	\$10/\$60/\$110; may be increased by the company up to \$2 annually for second and third tiers	Not covered
Mental Health	90% (must be preauthorized)	50% (must be preauthorized)	90% (must be preauthorized)	50% (must be preauthorized)
Substance Abuse (\$50,000 lifetime benefit maximum)	90% (must be preauthorized)	50% (must be preauthorized)	90% (must be preauthorized)	50% (must be preauthorized)
Employee Assistance Program (EAP) (available to covered pilot and any person living in household)	100% up to 8 visits; must be preauthorized	0%	100% up to 8 visits; must be preauthorized	0%

2. DENTAL BENEFITS

BENEFIT	Buy Up Option	Base Option
Dental Benefit Deductibles	\$50/\$100	\$100/\$300
Dental Services (\$2,750 annual benefit limit; \$30,000 lifetime benefit limit)	<p>Class I (Preventive) Services: 90%</p> <ul style="list-style-type: none"> dental x-rays, sealants (permanent molars only), preventive care (first two checkups in calendar year are not subject to deductible) <p>Class II Services: 80%</p> <ul style="list-style-type: none"> Restorations (fillings), including amalgam, silicate, plastic and composite restoration Endodontics Oral Surgery Extractions Other services <p>Class III Services: 80%</p> <ul style="list-style-type: none"> Crowns and/or replacement crowns when medically necessary <p>Class IV Services: 50%</p> <ul style="list-style-type: none"> Orthodontics Full or partial denture or bridgework if replaces natural teeth extracted while individual is covered or if replaces another denture or bridge that is at least five years old when individual has been covered under the plan for at least six months 	<p>Class I (Preventive) Services: 80%</p> <ul style="list-style-type: none"> dental x-rays, sealants (permanent molars only), preventive care (first two checkups in calendar year are not subject to deductible) <p>Class II Services: 80%</p> <ul style="list-style-type: none"> Restorations (fillings), including amalgam, silicate, plastic and composite restoration Endodontics Oral Surgery Extractions Other services <p>Class III Services: 75%</p> <ul style="list-style-type: none"> Crowns and/or replacement crowns when medically necessary <p>Class IV Services: 50%</p> <ul style="list-style-type: none"> Orthodontics Full or partial denture or bridgework if replaces natural teeth extracted while individual is covered or if replaces another denture or bridge that is at least five years old when individual has been covered under the plan for at least six months

3. VISION BENEFITS

BENEFIT	Network Provider	Non-Network Provider
<p>Vision Benefit:</p> <ul style="list-style-type: none"> Preventive Services (one routine eye exam, including dilation when indicated by provider, once every 12 months) One pair of frames every 24 months One pair of standard glass, plastic or safety lenses every 12 months (single vision, bifocals, trifocals, and lenticular lenses) Contact lenses every 12 months (based on vendor's guidelines) 	<ul style="list-style-type: none"> 100% 100% coverage up to \$115 after \$15 copay 100% after \$15 copay 100% coverage up to \$110 	<ul style="list-style-type: none"> Up to \$50 reimbursed Up to \$120 reimbursed Single vision: up to \$35 reimbursed; Bifocal: up to \$50 reimbursed; Trifocal: up to \$65 reimbursed; Lenticular: up to \$90 reimbursed Up to \$135 reimbursed for exam, fitting, follow-up and materials; up to \$55 reimbursed for materials only

Notes:

1. All medical and mental health services are subject to \$3,000,000 lifetime maximum benefit and determination of medical necessity based on vendor's guidelines.
2. Medical out-of-network covered charges are limited to 90th percentile Reasonable and Customary (R&C). A covered individual who is out-of-network is responsible for any balance above R&C.
3. Members shall have the ability to self-refer to any in-network provider (including any medical specialist) without any penalty or reduction in benefits.
4. Preventive care benefit is subject to vendor's standard guidelines.
5. Subject to vendor capabilities, the member is not responsible for obtaining preauthorization for any in-network services, with the exception of mental health, substance abuse and EAP services. The member is responsible for obtaining out-of-network preauthorization for in-patient hospital services, outpatient surgery, skilled nursing facility services, in-patient rehabilitation services, home health services, hospice, mental health and substance abuse services. While on Company business (domestic and international), pilots are covered under in-network provisions for all urgent or emergency benefits.
6. If not on Company business, while outside of the United States, members are covered under in-network provisions and out-of-network provisions the same as if they were in the United States.
7. Dental and vision benefits are unbundled from medical/mental health/substance abuse/EAP. Pilots may (i) opt out of dental and/or vision coverage, or (ii) elect dental and/or vision coverage for themselves and eligible dependents.
8. Dental and vision services subject to vendor's guidelines. Covered individuals may not receive benefits for spectacle lenses and contact lenses during the same 12-month period.
9. Vision benefit: Lens options include: oversized, PGX (sun-sensitive glass), progressive addition multifocal, blended bifocal, polycarbonate, solid, gradient, or sun-tinted plastic, UV and scratch-resistant coatings, quadrifocal (safety glasses only), full-spectrum, faceted, ski-type, low-power aspheric, and intermediate. Conventional bifocals will be supplied for anyone who is unable to adapt to progressive addition multifocal lenses up to 60 days from the date the eyewear is dispensed.
10. Vision benefit: Covered individual may choose from vendor's collection of standard soft daily wear, planned replacement and disposable lenses or 100% coverage up to \$110, which includes lenses, care kit for proper cleaning and sterilization, and related expenses (e.g., fitting fee). Contact lenses are dispensed subject to vendor's requirements, including but not limited to separate fitting exam and follow-up care from the routine eye exam for new (to the provider or first time) wearers. First time wearers must pay \$10 fee toward the cost of professional fitting.

11. In-network buy-up option in California is subject to the California rules for buy-up plans.
12. Covered non-network dental charges are limited to 90th percentile R&C.
13. Should the co-pays not be increased to the maximum allowed for a particular calendar year for the prescription drug benefit, the balance shall not carryover to the next year but be limited to the remaining increases allotted for each subsequent year.

Section 27 Appendix B

High Deductible Option

Estimated Initial Contribution: \$85 retiree, \$85 spouse, \$25 child/children

Estimated Annual Increase: \$30-\$45/yr.

	In-Network	Out-of-Network
Deductible	\$500/\$1,500	\$1,000/\$3,000
Out-of-Pocket Maximum (including deductible)	\$3,000/\$9,000 (no copayments & no prescription drug copayments/coinsurances apply to the out-of-pocket maximum)	\$5,000/\$15,000
Office Visits	\$70 copayment PCP/\$100 Specialist	60% after deductible
Preventive Care	\$70 copayment	Not covered
Inpatient Hospital	80% after deductible	60% after deductible
Outpatient Surgery	\$250 copayment, then 80% coverage after deductible	60% after deductible
Emergency Room	\$150 copayment, then 80% after deductible	60% after deductible
Urgent Care Facility	\$70 copayment, then 80% coverage after deductible	60% after deductible
Diagnostic	\$250 copayment, then 80% coverage after deductible	60% after deductible
Lab/X-ray	\$250 copayment, then 80% coverage after deductible	60% after deductible
SNF	\$250 copayment, then 80% coverage after deductible	60% after deductible
Prescription Drug Retail	Mandatory Generic: \$10 Preferred Brand: 50% (\$50/Minimum; \$150/Maximum) Non-Preferred Brand: 50% (\$75/Minimum; \$175/Maximum)	50% coverage
Prescription Drug Mail Order	Mandatory Generic: \$10 Preferred Brand: 50% (\$100/Minimum; \$300/Maximum) Non-Preferred Brand: 50% (\$150/Minimum; \$350/Maximum)	No coverage

SECTION 28

RETIREMENT (Pension Benefits)

A. General

1. The Company shall continue to provide retirement and related benefits through the Retirement Plans¹ and under the terms and conditions of the Retirement Plans, as in effect as of the date of this Agreement, except as specifically provided herein. The terms and conditions of the Retirement Plans, insofar as they affect pilots, shall not be changed, except as provided in this Agreement or by the written agreement of the Association. The Pilot Benefit Book ("PBB") shall be updated in accordance with Section 28.A.7 to reflect changes made by this Agreement and any other changes made pursuant to Section 28.A.5.
2. The Company shall be responsible for the establishment, control, management, administration and attendant expenses of the Retirement Plans and all disputes concerning those claims for benefits shall be settled as described in Section 28.A.3.
3. In order that the Association may have the most current information regarding the funded status of the FedEx Corporation Employees Pension Plan (the Pension Plan), the Company agrees that Association's designee will receive electronic (email) notification of FedEx Corporation's securities filings (e.g., 10-K, 10-Q) which addresses the funded status of the Pension Plan as those filings are released. In addition, the Company, through its vendors will provide the Association with copies of the annual reports of the investment options in the pilots' defined contribution plans as those reports are released in order that the Association may review the performance of those investment options.
4. Review of benefit denials shall be as described in this Agreement, the Retirement Plans and the PBB. Benefit denials shall be reviewed by the Federal Express Corporation Benefit Review Committee ("BRC") or the appropriate claims-paying administrator. If the pilot is not satisfied with the decision regarding a Retirement Plan benefit, the pilot may either seek review of the decision in accordance with the provisions of Section 28.F. within 120 days of the Committee's decision or opt to pursue a judicial remedy available under ERISA. A pilot's request for judicial review of a benefit decision under the Employee Retirement Income Security Act of 1974, as amended from time to

¹ The following Retirement Plans are effective as of the date of this Agreement:

- (a) The FedEx Corporation Employees' Pension Plan, effective as of May 31, 2001;
- (b) The Federal Express Corporation Pilots' Retirement Savings Plan, effective as of June 1, 2002;
- (c) The Flying Tiger Line Inc. Variable Annuity Pension Plan for Pilots, effective as of January 1, 1997;
- (d) The Federal Express Corporation Pilots' Money Purchase Pension Plan, effective as of June 1, 2002;
- (e) The Federal Express Corporation Non-Qualified Pension Plan for Pilots, effective as of June 1, 1999; and
- (f) The Federal Express Corporation Non-Qualified Section 415 Excess Pension Plan for Pilots, effective as of June 1, 1999.

time ("ERISA") shall be reviewable by a court of competent jurisdiction under ERISA, and such review shall not be barred by the Railway Labor Act ("RLA").

5. All of the Retirement Plans' terms and conditions shall remain unchanged insofar as they affect pilots, except as specifically provided for herein or except as required by law. If an amendment to the Retirement Plans or the PBB is required by law, if there is more than one alternative available under the law with respect to such required amendment(s), and if the effectuation of either alternative would result in similar cost to the Company, the consent of the Association to one of the alternatives shall be required for such plan amendment. Such consent shall not be unreasonably withheld. The Association's consent shall not be required for any amendment described in this paragraph if more than one alternative is available under the law but the effectuation of one or more of the alternatives would result in increased cost to the Company over the other available alternatives.
6. The Company reserves the right to select the trustees, record keepers and other vendors it believes necessary to administer the Retirement Plans.
7. No later than April 28, 2007 (180 days after October 30, 2006, the date of signing), the Company shall provide the Association with proposed updates to the PBB reflecting changes made as part of this Agreement. No later than 60 days after receipt of the proposed updates, the Association shall meet with the Company and provide comments. As soon as practicable thereafter, a PBB that is mutually satisfactory to the Company and the Association shall be distributed to the pilots. The Association's approval shall not be unreasonably withheld. The foregoing to the contrary notwithstanding, the failure of the Association to timely approve such updates shall not prevent the Company from distributing the updates to the pilots in accordance with the provisions of 29 U.S.C. §1104(b). The parties acknowledge that updates pertaining to benefit changes that are scheduled to take effect on January 1, 2008, may not be available for inclusion in the 2007 update to the PBB.

With respect to any future updates to the PBB, the Company shall prepare and distribute to the pilots updates to the PBB, as required by 29 U.S.C. §1104(b). The Association shall be given the opportunity to review and approve such updates; the Association's approval of such updates shall not be unreasonably withheld. The foregoing to the contrary notwithstanding, the failure of the Association to timely approve such updates shall not prevent the Company from distributing the updates to the pilots in accordance with the provisions of 29 U.S.C. §1104(b).

B. Pension Plan

1. The terms and conditions of the FedEx Corporation Employees' Pension Plan ("Pension Plan") as affect pilots, the Federal Express Corporation Non-Qualified Pension Plan for Pilots ("Compensation Limit Plan"), and the Federal Express Corporation Non-Qualified Section 415 Excess Pension Plan for Pilots ("415 Limit Plan") shall be as provided in the Pension Plan, the Compensation Limit Plan, the 415 Limit Plan and the PBB except as provided in this Agreement.
2. A pilot's retirement benefit at his normal retirement date (the "Pension Plan Formula") shall be equal to the greatest of: (i) his final average earnings x 2% x credited years of service with the Company (Max. 25 years) for benefit accrual, (ii) with respect to any pilot having a seniority number as of the date of this Agreement, the benefit described in Section 28.B.4 below, or (iii) with respect to any pilot having a seniority number as of the date of this Agreement, a flat dollar benefit based upon a pilot's flight hours, equipment flown, and seat position during a plan year. The accrued benefit for a pilot who, prior to the merger of The Flying Tiger Line, Inc. ("FTL") with the Company, was a participant in any of the FTL pension plans which were merged into the Pension Plan is determined as provided under the terms of the Pension Plan.
3. Final average earnings will be defined as the average of the highest five calendar years of compensation while working for the Company. In no event shall total final average earnings taken into account under the Pension Plan, the Compensation Limit Plan and the 415 Limit Plan exceed \$260,000.
4. With respect to any pilot having a seniority number as of the date of signing of this Agreement, the benefit set forth in Section 28.B.2(ii) of the Agreement shall be the sum of the amounts derived under the computations set forth in Section 28.B.4.a. and Section 28.B.4.b., below:
 - a. For pilots who had a seniority number as of June 1, 1999 and who also have a seniority number as of the date of signing of this Agreement, such pilots' final average earnings shall be multiplied by past years of credited service with the Company as of June 1, 1999 (not to exceed a maximum of twenty-five years), multiplied by a multiplier from the following table based on such pilot's years of vesting service with the Company:

<u>Years of Vesting Service as of June 1, 1999</u>	<u>Multiplier</u>
less than 10	2.00%
10	2.05%
11	2.06%
12	2.07%
13	2.08%
14	2.09%
15	2.10%
16	2.11%
17	2.12%
18	2.13%
19	2.14%
20	2.15%

21	2.16%
22	2.17%
23	2.18%
24	2.19%
25 or more	2.20%

With respect to pilots who performed years of service with The Flying Tiger Line Inc. ("FTL") prior to August 7, 1989, such pilot's years of service with FTL shall be taken into account solely for purposes of determining the multiplier described herein, but shall not be taken into account for purposes of determining past years of credited service with the Company as of June 1, 1999.

The multiplier described above shall be added to the amount described below with respect to any pilot having a seniority number as of the date of this Agreement, who, as of June 1, 1999 had attained age 50 and completed fifteen (15) years of vesting service with the Company, (including such pilot's years of service with FTL):

<u>Age at 6/1/99</u>	<u>Increase</u>
59 and above	0.12%
58	0.11%
57	0.10%
56	0.09%
55	0.08%
54	0.07%
53	0.06%
52	0.05%
51	0.04%
50	0.02%

With respect to section 28.B.2(ii), all years of credited service completed by such pilots on or after June 1, 1999 (which, when added to years of credited service completed prior to June 1, 1999, shall not exceed a maximum of twenty-five (25) years of credited service), the Pension Plan Formula shall multiply final average earnings by 2%.

For pilots who have a seniority number as of the date of signing of this Agreement but did not have a seniority number as of June 1, 1999, such pilots' final average earnings shall be multiplied by 2% and by years of credited service with the Company (maximum of 25 years) for benefit accrual.

- b. For pilots who, as of date of signing of this Agreement, have a seniority number, have attained age 50, and who have completed ten (10) or more years of vesting service with the Company, such pilots' final average earnings shall be multiplied by past years of credited service with the Company as of the date of signing of this Agreement (not to exceed a maximum of twenty-five years), multiplied by a multiplier from the following table based on such pilot's age and years of vesting service with the Company at the date of signing of this Agreement:

Additional Benefit Percentage based on Age/Service										
Years of Vesting Service as of Date of Signing										
	50	51	52	53	54	55	56	57	58	59 or older
Less than 10	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00%
10	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01%
11	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01%
12	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01%
13	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01%
14	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.01%
15	0.02 %	0.02 %	0.02 %	0.02 %	0.02 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03%
16	0.02 %	0.02 %	0.02 %	0.02 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03%
17	0.02 %	0.02 %	0.02 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0.04%
18	0.02 %	0.02 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0.04 %	0.04%
19	0.02 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0.04 %	0.04 %	0.04%
20	0.02 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0.04 %	0.04 %	0.04 %	0.04%
21	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0.04 %	0.04 %	0.04 %	0.04 %	0.04%
22	0.03 %	0.03 %	0.03 %	0.03 %	0.04 %	0.04 %	0.04 %	0.04 %	0.04 %	0.04%
23	0.03 %	0.03 %	0.03 %	0.04 %	0.04 %	0.04 %	0.04 %	0.04 %	0.04 %	0.05%
24	0.03 %	0.03 %	0.04 %	0.04 %	0.04 %	0.04 %	0.04 %	0.04 %	0.05 %	0.05%
25 or more	0.03 %	0.04 %	0.04 %	0.04 %	0.04 %	0.04 %	0.04 %	0.05 %	0.05 %	0.05%

With respect to pilots who performed years of service with The Flying Tiger Line Inc. ("FTL") prior to August 7, 1989, such pilot's years of service with FTL shall be taken into account solely for purposes of determining the multiplier described herein, but shall not be taken into account for purposes of determining past years of credited service with the Company as of date of signing of this Agreement.

- c. The Pension Plan shall be amended to incorporate the provisions of Section 28.B.4.a. and Section 28.B.4.b. The parties agree that the provisions of Section 28.B.4.a. and Section 28.B.4.b. are one-time amendments to the Pension Plan and those provisions will apply only to the pilots entitled to a benefit under such provisions as of the date of signing of this Agreement. Notwithstanding any other provision of this Agreement, including the duration provisions contained in Section 31, Section 28.B.4.c. shall become effective on the date of signing of the basic Agreement and shall have permanent duration, and neither the provisions of Section 28.B.4.c. nor the related provisions of the Pension Plan referenced herein may be altered without the written consent of both parties.
- 5. A pilot shall receive credited service for benefit accrual while on disability and while eligible for benefits, including PSD benefits, pursuant to the terms of the LTD Plan.

C. Pilots' Money Purchase Pension Plan

- 1. The terms and conditions of the Pilots' Money Purchase Pension Plan (the "Money Purchase Pension Plan" or "PMPPP") shall be as provided in the Money Purchase Pension Plan and the PBB.
- 2. Effective on the date of signing of this Agreement, the Company shall continue to contribute monthly for each pilot plan participant in the prior month an amount equal to 6.0% of that pilot's eligible prior monthly earnings, subject to the Code Section 401(a) (17) compensation limit. Effective as of the first anniversary of the date of signing of this Agreement, the Company shall contribute monthly for each pilot plan participant in the prior month an amount equal to 7.0% of that pilot's eligible prior monthly earnings, subject to the Code Section 401(a)(17) compensation limit.
- 3. The eligibility age and service requirements, and the vesting requirements of the Money Purchase Pension Plan shall remain unchanged.
- 4. The investment fund options available to the pilots participating in the Money Purchase Pension Plan as of the date of signing of this Agreement shall continue to be available. In addition, as soon as administratively feasible after the date of signing of this Agreement, the following additional funds shall be made available to the pilots participating in the Money Purchase Pension Plan: Vanguard Retirement Savings Trust, Vanguard LifeStrategy Conservative Growth Fund, Vanguard LifeStrategy Moderate Growth Fund, Vanguard Small-Cap Index Fund, Vanguard Mid-Cap Index Fund, and Vanguard Inflation-Protected Securities Fund. The Company shall continue to maintain fiduciary responsibility for the investment options made available under the Money

Purchase Pension Plan, except as provided in the next sentence. Any expanded opportunities for greater investment choices via the Vanguard Group or its successors shall be determined by a Pilot Investment Committee, which shall consist of up to six members, equal numbers of whom shall be appointed by the Company and the Association. The Pilot Investment Committee's duties and responsibilities shall be limited to the selection of expanded investment choices.

D. Pilots' Retirement Savings Plan

1. The terms and conditions of the Pilots' Retirement Savings Plan ("Pilots' Retirement Savings Plan" or "PRSP") shall be as provided in the Pilots' Retirement Savings Plan and the PBB.
2. The investment fund options available for Participant-direction of amounts allocated to a pilot's accounts within the Pilots' Retirement Savings Plan as of the date of signing of this Agreement shall continue to be available. In addition, as soon as administratively feasible after the date of signing of this Agreement, the following additional funds shall be made available to the pilots participating in the Pilots' Retirement Savings Plan: Vanguard Retirement Savings Trust, Vanguard LifeStrategy Conservative Growth Fund, Vanguard LifeStrategy Moderate Growth Fund, Vanguard Small-Cap Index Fund, Vanguard Mid-Cap Index Fund, and Vanguard Inflation-Protected Securities Fund. The Company shall continue to maintain fiduciary responsibility for the investment options made available under the Pilots' Retirement Savings Plan, except as provided in the next sentence. Any expanded opportunities for greater investment choices via the Vanguard Group or its successors shall be determined by the Pilot Investment Committee (described in Section 28.C.4).
3. The Company shall maintain records for a sufficient time and in sufficient detail to be able to confirm all data necessary for the calculation of any benefit payable under the Retirement Plans.
4. A pilot shall have allocated to his PRSP accounts such amounts as are attributable to unused sick leave, in accordance with the provisions of Section 14.E of this Agreement.

E. Federal Express Corporation Pilot Non-Qualified Plans

The terms and conditions of the Federal Express Corporation Section 415 Excess Benefit Plan for Pilots ("415 Limit Plan") and the Federal Express Corporation Non-Qualified Pension Plan for Pilots ("Compensation Limit Plan") shall be as provided in the 415 Limit Plan, the Compensation Limit Plan and the PBB. In no event shall final average earnings taken into account under the Pension Plan, the 415 Limit Plan and the Compensation Limit Plan exceed \$260,000.

F. Pilot Benefit Review Board

1. A Pilot Benefit Review Board shall be established for the Retirement Plans and the Insurance Plans described in Section 27.
2. The Pilot Review Board ("Review Board") shall consist of an equal number of members appointed by the Company and members appointed by the Association. Each party shall appoint up to three members. Vacancies in the membership of the Review Board shall be filled by appointment of the respective parties.
3. The Review Board may convene meetings at its discretion, or whenever a majority of the members of the Review Board make a written request for a meeting at least fourteen days prior to the meeting date.
4. The Review Board may convene meetings in person or by telephone conference.
5. Any pilot who seeks review by the Board must make a request in writing no later than one hundred twenty (120) days following the date on which a decision is rendered on appeal. The Review Board may, in its discretion, waive the one hundred twenty day period if circumstances warrant, in order to insure a full and fair review of a pilot's claim. A pilot who requests a review by the Review Board shall have at least thirty (30) days from the date of his request to submit any written statement or other documentation for the Review Board's consideration during its review. The Review Board is not required to conduct a formal hearing with respect to the review of any claim presented by a pilot.
6. A majority of the Review Board, sitting without a neutral member, shall constitute a quorum. Each member of the Review Board shall have one vote. In the event that one member is absent from a meeting, such member may give his proxy to another member. Proxies must be in writing.
7. A decision by majority vote shall be final and binding on all parties, and the Review Board shall issue a written decision within thirty (30) days after the vote.
8. In the event of a deadlock vote, the Review Board shall convene a meeting, which shall be chaired by a neutral arbitrator, to render its decision. The neutral arbitrator shall be selected from a panel of arbitrators designated jointly by the Company and the Association. Such panel shall be comprised of members of the National Academy of Arbitrators and experienced in both airline arbitration and pension or other relevant employee benefit issues. A decision by majority vote shall be final and binding on all parties, and the Review Board shall issue a written decision within thirty (30) days after the vote.
9. Should vacancies occur on the panel of neutral arbitrators, the parties shall attempt to agree on a replacement within thirty (30) days after the vacancy occurs. If the parties are unable to agree on a replacement, the vacancy shall remain unfilled unless there are too few arbitrators to preside over required meetings, in which case the parties may select an arbitrator by the alternative strike method from a list of arbitrators provided by the National Mediation Board who are members of the National Academy of Arbitrators to preside over scheduled meetings on an ad hoc basis.
10. Should a pilot elect to pursue his dispute via the Pilot Benefit Review Board process as outlined above, the Retirement Plans, trust agreements and to the extent applicable and consistent with this Agreement, the PBB, shall be

considered incorporated by reference into the Agreement solely for purposes of providing sufficient documentation for the resolution of that particular dispute only.

G. Employee Stock Purchase Plan

The terms and conditions of the Federal Express Corporation Employee Stock Purchase Plan shall remain the same and pilots shall remain covered by that plan under the same terms and conditions as other employees of the Company.

H. FTL Variable Annuity Plan

The terms and conditions of The Flying Tiger Line Inc. Variable Annuity Pension Plan For Pilots (the "Variable Plan") shall be as stated in the plan document effective as of January 1, 1997. Nothing in this Agreement shall reduce pilots' accrued benefits under the Variable Plan.

SECTION 29

UNION SECURITY AND CHECKOFF

A. Conditions

1. As limited by the letter regarding Transition to Union Security dated ____, 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 or 60 days following the effective date of the Agreement, whichever is later, 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 Director-Legal Department 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 Director-Legal Department 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 bid pack mailing address. As provided in Section 26.N.2., a pilot must keep his primary residence and bid pack mailing 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 bid pack mailing 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 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 _____ and Section 29.A.2., is subject to this provision.

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)

Home 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.

SECTION 30
ALPA-PAC CHECKOFF

- A. The Company will monthly check off and transmit to the Treasurer of the Air Line Pilots Association Political Action Committee (ALPA-PAC) voluntary contributions to ALPA-PAC from the earnings of those pilots who voluntarily authorize such contributions on forms provided by ALPA-PAC for that purpose. The amount of such monthly checkoff deductions and the transmittal of such voluntary contributions shall be as specified in such forms. All ALPA-PAC checkoff authorization forms (current or revised) shall be in conformance with any applicable state or federal statute.
- B. The current ALPA-PAC checkoff authorization form in use is reprinted below. ALPA shall notify the Company of changes to the ALPA-PAC checkoff authorization form.

ALPA-PAC CHECKOFF AUTHORIZATION CARD

TO: _____ (Airline Name)

I hereby authorize and direct the above named company to deduct the indicated amount of my gross earnings per month and to remit that amount to the Air Line Pilots Association Political Action Committee (ALPA-PAC).

Name _____

(Please Print) Last First MI

ALPA No. _____ Employee No. _____

Begin Deductions of \$ _____ Per Month (Whole Dollars)

Change Deductions to \$ _____ Per Month (Whole Dollars)

Terminate Deductions of \$ _____ Per Month

Signature _____ Date _____

Authorized by Air Line Pilots Association, International on behalf of a fundraising effort for Air Line Pilots Association Political Action Committee. Contributions to ALPA-PAC are not tax deductible, nor a condition of membership of ALPA.

This authorization is voluntarily made based on my specific understanding that:

- the signing of this authorization card and the making of these voluntary contributions are not conditions of membership in the union or of employment by my employer;
 - any guideline amount suggested by ALPA-PAC or its representatives is only a suggestion and I may contribute more or less and will not be favored or disadvantaged by the union for doing so;
 - I may refuse to contribute without reprisal; and
 - ALPA-PAC, which is connected with the Air Line Pilots Association, International may use the money it receives for political purposes including but not limited to making contributions to and expenditures for candidates for federal elected offices.
- I further certify that I am either a United States citizen or a foreign national lawfully admitted to the United States for permanent residence as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)).

This authorization shall remain in full force and effect until revoked in writing by me.

SECTION 31

EFFECT ON PRIOR AGREEMENTS, EFFECTIVE DATE AND DURATION

A. Effect on Prior Agreements

This Agreement is the full and complete agreement between the parties concerning rates of pay, rules and working conditions of the pilots of the Company. Except as set forth in Section 31.A.1. and 2. (below), this Agreement supersedes and renders null and void the Flight Crewmembers' Handbook and all agreements with respect to rates of pay, rules, or working conditions, entered into prior to the execution of this Agreement between the Company and the Association, or between the Company and any individual in the craft or class which the Association represents.

1. The following Letters of Agreement remain in effect as part of this Agreement:
 - a. Special Provisions Related to Anchorage Domicile Moves for Pilots (2006)
 - b. Civil Reserve Air Fleet LOA (2003)
 - c. Pilots Defined Contribution Plan Changes (2003)
 - d. Professional Standards Letter of Agreement (2000)
 - e. Letter of Agreement on Safety (2000)
 - f. Air Bridge in Subic Bay (1999)
 - g. Maximum Open Time (1999)
 - h. Certain Retirement Provisions (1999)
 - i. Anchorage and Subic Return Moves (1999)
2. An interpretation of a term of the parties' predecessor collective bargaining agreement remains in effect as part of this Agreement if (i) such term is not materially changed in this Agreement and (ii):
 - a. The interpretation was set forth in, and was necessary to the holding of, a grievance award; or
 - b. A mutually agreed interpretation was set forth in a written grievance settlement to which the Company and Association are parties; or
 - c. A mutually agreed interpretation was set forth in a written agreement of the parties.

B. Subsequent Agreements

An agreement between the Company and Association entered into after execution of this Agreement affecting rates of pay, rules, or working conditions of a pilot of the Company will be effective only if in writing and signed by an authorized representative of each of the Company and Association.

C. Effective Date and Duration

Except as expressly provided in the Implementation Letter of Agreement, this Agreement shall become effective on October 30, 2006 (i.e., the beginning of the November 2006 bid period) and shall continue in full force and effect through October 31, 2010 and shall renew itself without change through each October 31 thereafter, unless written notice of intended change is served in accordance with Section 6, Title I of the Railway Labor Act, as amended, by either party hereto at least 60 days but not more than 90 days prior to October 31, 2010 or October 31 in any year thereafter.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this ____ day of _____, 2006.

FOR THE COMPANY

WITNESS:

FOR THE ASSOCIATION

Captain Duane E. Woerth
President

Captain David Webb
Chairman, FedEx MEC

WITNESS:

Captain Robert Chimenti
Chairman, MEC
Negotiating Committee

Captain John Gustafson
Vice-Chairman,
MEC Negotiating Committee

Captain Michael D. Williams
MEC Negotiating Committee

First Officer Mark Hollis
MEC Negotiating Committee

Captain Robert Chimenti
FedEx ALPA MEC
Negotiations Committee Chairman
1770 Kirby Pky., Ste. 300
Memphis, TN 38138

Dear Captain Chimenti:

The purpose of this letter is to confirm the details of the lump sum signing bonus that is part of the tentative agreement and is, of course, subject to ratification. I have arranged this by the categories into which pilots might fit.

Eligibility

- Pilots who are employed by the Company as pilots on DOS and who were in an active pay status throughout the amendable period (June 1, 2004 through DOS) will receive the full signing bonus, in the amount set forth below.
- Pilots who are employed by the Company as pilots on DOS but who were not active for the entire amendable period will receive a prorated signing bonus. This category includes pilots who were hired during the amendable period and pilots who were in an inactive pay status due to leave of absence or disability. Notwithstanding the above, pilots who left the Company during the amendable period for reasons other than retirement (e.g., termination for just cause) shall not receive a signing bonus.
- For purposes of the signing bonus calculation, periods of military leave will be counted as active service. Pilots on long term military leave will receive their signing bonus upon their return to active service with the Company.
- Pilots who retired from the Company between June 1, 2004 and August 25, 2006 shall receive a prorated signing bonus in the form of an HRA contribution. Pilots who retire between August 26, 2006 and the DOS, other than as a result of reaching age 60 will be handled in the same manner.
- Pilots who retire between August 26, 2006 and the DOS as a result of reaching age 60 will receive the same signing bonus they would have received had they retired on DOS, (in addition to the HRA described in Section 27).

Amount of Bonus

- The amount of the signing bonus will be based on the following chart:

Bonus per Pilot

	DOS	6/1/2007	Total
WBCAP	\$14,000	\$16,000	\$30,000
NBCAP	\$12,500	\$14,000	\$26,500
WBF/O	\$8,400	\$9,300	\$17,700
NBF/O	\$7,500	\$8,300	\$15,800
WBS/O	\$4,000	\$4,500	\$8,500
NBS/O	\$3,500	\$3,900	\$7,400

- When proration is called for, it will be based on the number of months a pilot was in an active pay status during the amendable period divided by 29. For purposes of the proration, a month will count if the pilot was active for at least half of the calendar month. Each installment shall be prorated using the same ratio.
- Each pilot's bonus category will be determined by the highest crew status in which he was active during the amendable period. Pilots who received passover pay or POPA during the amendable period will receive a signing bonus based on the higher of their highest active crew status, or the crew status to which they received passover pay or POPA.

Timing of Bonus Payments

- Pilots who are eligible for a signing bonus will receive the first installment on November 30, 2006, and the second installment on June 1, 2007.
- Pilots who are employed by the Company as pilots on DOS, but who leave the Company's employ for reasons other than termination for just cause (e.g., retirement), will receive both installments of the signing bonus. The second installment shall be paid as soon as practicable after he leaves the Company, (rather than on June 1, 2007).

Retirement Plan Treatment of Bonus

- Signing bonus monies paid in cash will be treated as pensionable wages for the year in which they are paid.
- The signing bonus also will be subject to B-Plan contributions, subject to applicable Internal Revenue Code limitations.

Sincerely,

Donald W. Maliniak
Vice President, Labor Relations

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

IMPLEMENTATION AND TRANSITION

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 provide for orderly implementation of the basic Agreement.

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

The basic Agreement shall have a general effective date of October 30, 2006. The Association and the Company shall work together to develop necessary provisions for transitioning from the current work rules to the basic Agreement. Items described in the attached appendices, (i.e., General Implementation Appendix and Timeline, Automation Appendix), shall be implemented on the schedule set forth therein.

This Letter of Agreement shall become effective when signed by both parties and shall remain in full force and effect concurrent with the basic Agreement or until amended or revoked by written agreement of the Company and the Association, or by operation of the Railway Labor Act, as amended.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement this
__ day of _____, 2006.

FOR THE COMPANY

WITNESS:

FOR THE ASSOCIATION

Captain Duane E. Woerth
President

Captain David Webb
Chairman, FedEx MEC

WITNESS:

Captain Robert Chimenti
Chairman, MEC
Negotiating Committee

Captain John Gustafson
Vice-Chairman,
MEC Negotiating Committee

Captain Michael D. Williams
MEC Negotiating Committee

First Officer Mark Hollis
MEC Negotiating Committee

General Implementation Appendix and Timeline

2006 FedEx Pilot Collective Bargaining Agreement

This appendix sets out the timeline upon which each of the changes in the Tentative Agreement will be implemented following ratification. Items which are specifically referenced in the contract as having a later implementation date are not repeated in this appendix and will be implemented on the date specified in the Agreement. In the main table, all dates indicate that the particular provision will be implemented not later than the date stated. In the programming sub-appendices for work rules, (Sections 4, 12 and 25), and retirement and insurance (Sections 27 and 28), two dates are indicated—a target date, by which the Company intends to implement each particular change, and a delivery date, beyond which the Company would be in violation of the Agreement if it has not implemented the change. Under the letter of agreement entitled, “Implementation and Transition,” the parties may, by mutual agreement, alter the timelines set forth in this appendix to achieve a smooth transition into the new Agreement.

Section: Provision	Implementation Date
1: Recognition, Successorship and Scope	DOS
2: Definitions	DOS
3: Compensation	DOS
4: Minimum Guarantees and Other Pay Provisions	See Automation Appendix, Block Override effective with January, 2008 bid period.
5: Traveling Expenses	DOS
6: Relocation Expenses	DOS. Relocation packages to which pilots became entitled under postings that closed prior to DOS shall be handled under the provisions in effect at the time the posting closed.
7: Vacation	DOS, except for changes that are part of the new system of bid period processing.
8: Deadheads and Deviations	Commuting declaration: March, 2007 bid period target; June, 2007 bid period deadline
9: Miscellaneous Flying	DOS, except that change from POPA to Passover Pay will be coordinated between the Company (Training and Flight Test Department) and Association
10: Pilots Transferred to Management or Other Duties	DOS
11: Training	DOS. Change from POPA to Passover Pay will be coordinated between the Company (Training and Standards Department) and Association. TRB related provisions may be phased in

	after DOS as agreed by Training Department and Association. Training freezes and VP Decisions under current agreement stay in place.
12: Hours of Service	See Automation Appendix
13: Leaves of Absence	DOS
14: Sick Leave	DOS, except for changes in Section 14.B.2.b., which are scheduled to be automated with a target of the March, 2007 bid period, and a deadline of the June, 2007 bid period.
15: Medical Standards	DOS
16: Workers' Compensation Benefits	DOS
17: Prisoner of War or Hostage Benefits	DOS
18: Witnesses and Representatives	DOS
19: Investigation and Discipline	DOS
20: Grievances: Administrative	DOS
21: System Board of Adjustment	DOS
22: Seniority	DOS
23: Furlough and Recall	DOS
24: Filling of Vacancies	DOS
25: Scheduling	See Automation Appendix. For SIG parameters with later programming dates, if non-compliance is identified during pairings conference call or before, Company will rebuild to comply with parameters.
26: General	DOS
27: Insurance Benefits	See Retirement and Insurance Appendix (to be delivered)
28: Retirement	See Retirement and Insurance Appendix (to be delivered)
29: Union Security and Check-Off	DOS
30: ALPA-PAC Check-Off	DOS
31: Duration	DOS

Tuesday, September 05, 2006

Captain Robert Chimenti
FedEx ALPA MEC
Negotiations Committee Chairman
1770 Kirby Pky., Ste. 300
Memphis, TN 38138

Dear Captain Chimenti:

Please find attached the proposed implementation schedule of the automation requirements of the new TA Sections 4, 12, and 25. The deliverables are divided into four phases and timelines are by bid period. Rows highlighted in green indicate provisions the Company can and will apply manually until programming is complete. All non-highlighted provisions require automation before they can be implemented.

Phase 1: Date of Signing: These items are primarily parameter changes that can be tested and implemented quickly. Additionally, pay rates, per diem, and international override changes are of course included. The International GRID will be applied to bid pack pairings beginning on DOS as this concept has undergone testing during negotiations.

Phase 2: Feb 07 (1/29/07): These are items that will require additional testing beyond one bid period. Since we will not be able to complete these prior to the start of the October bid period, they will have to be tested in November and December. This creates an implementation date of the beginning of the February bid period, which begins January 29th. Any attempt to move this up would be hazardous as it would force moves to production during PEAK, which historically have caused problems at the worst time, because of the task saturation that occurs in computer operations during this timeframe.

Phase 3: Mar 07 target - Jun 07 deadline: The key delivery in this phase is the dual bid processing windows and recurrent training bidding. As this is a MAJOR process rework for the Futures group, this phase primarily contains those items (bidding procedures, phase ins, adjustments) that are closely related to those processes.

Phase 4: Jul 07 target - Oct 07 deadline: Implementation of Blended Duty, Anchor Zone, and associated rules during the line-building process requires the acquisition, development and acceptance of BLISS. The current schedule shows a delivery of 1 June 07 for BLISS. Assuming we parallel test the building of the July bidpack and the testing is successful, the first possible bidpack built under the new rules would be August 07.

FOCUS is a SOX404 compliant system. As a result, we are obligated by regulation to follow GDP procedures as we make modifications. It also means that user testing is mandatory and documentation is required. The company's negotiations team asked for, and I believe we have received, an aggressive schedule for automation. If the Association would like to validate these time lines by discussion between ALPA's automation experts and the programming experts that will be handling this transition, the Company is willing to arrange that contact.

Very truly yours,

FEDERAL EXPRESS CORPORATION

John D. Maxwell
Managing Director, Labor Relations Law
(901) 434-8596
FAX: (901) 434-9287

Automation Appendix to 2006 Pilot Collective Bargaining Agreement

Section	Name	Impact Description	Target Date (Bid period)	Deadline (Bid Period)
4.G	Allocation of Carryover	Pay overage on 15th of the following month for carryover trips flown in VLT/DRF/CMU	Complete	
4.I	Adjustments to BLG/RLG	Change pay for training on day off from 3 CH to 4:30 CH	DOS	
4.M	Reassignment Trip Pay	Change RAT rate from 110% to 125%	DOS	
4.N	PMU	Change OTP rate from 110% to 125%	DOS	
12.D.2	International Grid	Implement 36 hour layover in any 168 hour period (Planning)	DOS	
12.D.2	International Grid	Implement International Grid (Crew Planning)	DOS	
25.M	Reserve	Change reserve release to rest parameters from 5:30 hours to 4 hours after end of RP	DOS	
25.S	Trip Revisions	'Change to layovers' will not create substitution; rather disruption pay	DOS	
25.H	Substitution	Deactivate removal codes for 'layover removal' and 'more than 50% layover change'.	DOS	
12.C.1 12.D.1	General	Remove use of 168 hrs in 1 in 7 calculation	Feb 07	
25.A	General	Display additional information to the pilots on the Reserve Level List	Feb 07	
25.B	Bid Period Package	Enhance Bid Pack Shipment Election to allow for suppressing shipment of bid pack to a pilot	Feb 07	
25.K	Advance Reserve Assignment	Level pilots at assignment	Feb 07	
4.BB	Overage Accrual and Compensation	Change to pay both rday value and overage	Feb 07	
4.D	Mini RLG	Leveling credit for credit hrs earned prior to an rday	Feb 07	
4.H	Reserve Credit Hour Accrual	Level reserve pilot on assignment	Feb 07	
12.A.8	Extension into Duty Free Time	Flag for 48/96 hours beyond original schedule	Mar 07	Jun 07
12.B.1	Duty Period Begin and End	Change 1:30 showtime to 2 hours on international deadheads	Mar 07	Jun 07
12.B.1	Duty Period Begin and End	Change 1 hour turn time to 1:30 domestic/ 2 hr international when deadheads follow flight deck duty	Mar 07	Jun 07
12.C.6	Domestic Rest Provisions	Implement 'operational layover of < 11 hrs rest requires next layover of at least 12 hours'	Mar 07	Jun 07
25.A	General	Implement 'windows' for suppression of open time	Mar 07	Jun 07
25.A	General	Display 'frozen' trips to pilots/ flag as Frozen	Mar 07	Jun 07

Automation Appendix to 2006 Pilot Collective Bargaining Agreement

Section	Name	Impact Description	Target Date (Bid period)	Deadline (Bid Period)
25.BB	Scheduling Improvement Group (SIG)	Create new report containing number of trips flown, frequency of occurrence, CH value and assignment code	Mar 07	Jun 07
25.C	Monthly Bidding Procedures	Implement new bid closing schedule	Mar 07	Jun 07
25.C	Monthly Bidding Procedures	Implement new line release schedule	Mar 07	Jun 07
25.C	Monthly Bidding Procedures	Implement new procedures for bidding on recurrent training	Mar 07	Jun 07
25.C	Monthly Bidding Procedures	Implement training conflict resolution as make-up instead of substitution	Mar 07	Jun 07
25.C	Monthly Bidding Procedures	Implement dropping of rday block when training splits an rday block	Mar 07	Jun 07
25.D	Bid Line Categories and Construction	Change Line Spread from 8:30 to 11 CH	Mar 07	Jun 07
25.D	Bid Line Categories and Construction	Secondary lines shall be constructed in numerical order	Mar 07	Jun 07
25.E	Bid Period Processing (BPP)	Implement the new bid processing windows	Mar 07	Jun 07
25.F	Bid Period Phase In	Implement new bid period phase-in rules	Mar 07	Jun 07
25.F	Bid Period Phase In	Dropped trips/rdays are eligible for make up	Mar 07	Jun 07
25.F	Bid Period Phase In	Dropped trips/rdays for min day protection are eligible for make-up	Mar 07	Jun 07
25.F	Bid Period Phase In	vacation conflict resolution in new windows	Mar 07	Jun 07
25.F	Bid Period Phase In	Implement 12 hour buffer before Reserve period instead of rday	Mar 07	Jun 07
25.F	Bid Period Phase In	Implement new waivers for vacation and reserve buffers	Mar 07	Jun 07
25.F	Bid Period Phase In	Implement change to drop trips in the current bid month	Mar 07	Jun 07
25.G	Open Time Assignments	Change the assignment order for Open time	Mar 07	Jun 07
25.G	Open Time Assignments	Reorder the make up list to match new assignment order	Mar 07	Jun 07
25.L	Bid Line Adjustments	Implement multiple rday values for one month	Mar 07	Jun 07
25.L	Bid Line Adjustments	Reorder the make up list to match new assignment order	Mar 07	Jun 07
25.M	Reserve	Change reserve operational extension limits from 4 hours to 2 hours for calculation of overage	Mar 07	Jun 07
25.M	Reserve	Pay pilot 1:30 CH disruption pay when a reserve period is changed to RA or RB+	Mar 07	Jun 07
25.M	Reserve	Implement 5 reserve periods during the planning phase	Mar 07	Jun 07

Automation Appendix to 2006 Pilot Collective Bargaining Agreement

Section	Name	Impact Description	Target Date (Bid period)	Deadline (Bid Period)
25.M	Reserve	Implement 5 separate reserve lists and new assignment order	Mar 07	Jun 07
25.U	Bump for Training	Allow deadhead monies to remain intact when a pilot is removed from a trip for the purposes of training another pilot	Mar 07	Jun 07
4.I	Adjustments to BLG/RLG	Change 3 CH to 4:30 CH for training support pay	Mar 07	Jun 07
12.A.9	Fatigue	New fatigue language	Jul 07	Oct 07
12.B.3	Standby	Edit for showtimes greater than 1 hour	Jul 07	Oct 07
12.B.3	Standby	Implement new standby rules. Modify standby functionality to allow flights to be scheduled in conflict with standbys.	Jul 07	Oct 07
12.C.3	Domestic Crew Planning Limitations	Implement Anchor Zone beyond bid pack pairings	Jul 07	Jan 08
12.C.4	Domestic On-Duty Limitations (Scheduled)	Implement Blended Duty beyond bid pack pairings	Jul 07	Jan 08
12.D.2	International Grid	Implement 36 hour layover in any 168 hour period >96 hours (Note: Grid and all its related crew planning limitations will be applied to bid pack pairings on DOS)	Jul 07	Oct 07
12.D.2	International Grid	Implement International Grid > 96 Hours (Same note as above)	Jul 07	Oct 07
12.D.11	Grid Penalties	Automate rules for Grid Penalties	Jul 07	TBD
25.B	Bid Period Package	Implement calculation of average days off for lines in bid period (BLISS)	Jul 07	Oct 07
25.BB	Scheduling Improvement Group (SIG)	Implement ability to flag trips as 'disputed'	Jul 07	Oct 07
25.J	Training Assignment	Automate IOE's functionality to assign LCA's to open time based on seniority of LCA.	Jul 07	Oct 07
25.L	Bid Line Adjustments	Implement OTP protection for 3 bid periods instead of 2	Jul 07	Oct 07
25.L	Bid Line Adjustments	Give leveling credit to reserve pilots who are removed from a trip PDO	Jul 07	Oct 07
25.L	Bid Line Adjustments	Make PDO reserve pilot available for reserve immediately after the end of the bumped trip	Jul 07	Oct 07
4.EE	Grid Penalty Event	Automate Grid Penalty payments	Jul 07	TBD
12.B.1	Duty Period Begin and End	Implement 1 hr turn time for chartered and non freight FX aircraft	TBD	
12.B.1	Duty Period Begin and End	Implement 30 min turn time for FX operational deadheads	TBD	
12.D.1	General	Implement Domestic rules for European Theater and SIBA	TBD	

Automation Appendix to 2006 Pilot Collective Bargaining Agreement

Section	Name	Impact Description	Target Date (Bid period)	Deadline (Bid Period)
12.D.9	Int'l A380 'Double Plus' Provisions	Implement A380 provisions	TBD	
25.BB	Scheduling Improvement Group (SIG)	Automation of payment for SIG duties	TBD	
25.BB	SIG Parameters	Domestic hard parameters 4 and 6, International hard parameter 1, Domestic soft parameters 1 and 2, and International soft parameter number 1.	Mar 07	Jun 07
25.C	Monthly Bidding Procedures	Award bids only to 'qualified ' pilots	TBD	
25.S	Trip Revisions	Implement disruption rules in order to automate disruption pay	TBD	
25.V	Extra Duty Period	Automate extra duty pay	TBD	
4.W	Disruption Compensation	Automation of Disruption Pay	TBD	

[LETTER TO: CAPTAIN BRUCE CHEEVER
MR. DON MALINIAK]

RE: Transition to Union Security

Dear Captain Cheever and Mr. Maliniak:

The Company and ALPA have entered into an amended collective bargaining agreement dated ____ which includes revisions to Section 29, Union Security. Except as provided in Section 29 A.2. and in A. below, that Section obligates the pilots described below to either join ALPA or tender a service charge in lieu of joining the Association. During negotiations leading to the new collective bargaining agreement, the Company requested that ALPA clarify this and certain other transition and administrative issues.

At the Company's request, ALPA has agreed to outline discussions that took place in order to facilitate understanding and to provide for the efficient operation of the new provision. Many of the subjects described, however, concern ALPA internal processes and procedures. Other materials like sample letters are provided by way of example. The Company recognizes that these processes, procedures and letters change from time to time.

A. Applicability of Union Security

In addition to the limitations found in Section 29.A.2., Section 29 will not apply to pilots who had a date of hire prior to August 26, 2006, and who were, on that date, not members of the Association. All pilots initially employed by the Company on or after August 26, 2006, are obligated to comply with the union security obligations of the amended collective bargaining agreement. Pilots that are subject to the Union Security provisions are set out on the attached list. (Attachment _).

B. Administration of Union Security and Sample Documentation

ALPA and the Company discussed the sequence of events and time line for notifying pilots of possible delinquency and consequent steps that may occur pursuant to the union security obligations under the collective bargaining agreement. To aid understanding, the entire time line, including notification generally provided to pilots prior to the Company letters referenced in Section 29, is summarized in the following flow chart:

Approx. earliest date	ALPA Member	Non-member
January 2	Billing statement sent	Billing statement sent
January 25	Payment due	Payment due
February 1	Second billing statement; letter noting delinquency and bad standing status	Second billing statement; letter noting delinquency

March 1	Third billing statement; letter noting delinquency and bad standing status;	Third billing statement; letter noting delinquency
April 1	Fourth billing statement; letter warning of expulsion from ALPA	Fourth billing statement; letter noting delinquency
May 1	Fifth billing statement; expulsion from ALPA	Fifth billing statement; letter noting delinquency
June 1	Sixth billing statement; letter described in Section 29.A.3	Sixth billing statement; letter described in Section 29.A.3

Sample letters identified in the flow chart are included as Attachment 1 to this letter.

The parties also discussed the Association's internal rules and processes for determining the financial status of pilots subject to union security provisions. For pilots who do not take advantage of payroll withholding for dues and assessment obligations, Article IX, Section 12 of ALPA's Constitution and By-Laws states that failure to pay financial obligations prior to the date established on the monthly billing statement (currently on or about the 25th of the month) will result in "bad standing." A member who remains in bad standing for two consecutive months is then subject to expulsion. We have provided you with a copy of ALPA's current Constitution and By-Laws for your reference.

C. Clarification of Income Subject to Dues

Article IX, Section 3 of the ALPA Constitution and By-Laws states that "[a]ll airline income of a member is subject to dues so long as he remains on his Company seniority list, except as provided in Section 4 of this Article." Article IX, Section 4 states as follows: The following income shall be exempt from dues, subject to verification and approval by the member's Local Executive Council:

1. Sick leave income in excess of that provided by sick leave provisions of an employment agreement or company sick leave policy.
2. Income received from his company for services in a different job classification while physically unable to perform as a pilot or flight officer.
3. Special bonus or merit award income, provided that a general bonus to all members of an airline shall not be exempt.
4. Income received for services to the Company not requiring flight crewman qualifications while on furlough status from a flight crew position.
5. Allowances received for foreign cost of living.

6. Furlough income received by a member under the terms of his employment agreement.

7. Premium payments by a carrier on behalf of a member for specified excess life insurance coverage or for other insurance benefits and the value of travel benefits, which are reported to him under IRS or applicable Canadian regulations as taxable income, and it is the member's obligation to advise the Association of such amounts when:

- (a) The member does not participate in dues check-off, and
- (b) Such amounts are included in his W-2 or T-4 form, as applicable.

8. Income received after retirement for vacation.

9. Income received in the form of corporate securities.

10. In order to compensate for the perceived difference in dues assessments for those pilots whose only pension program is the 401K Plan or Canadian equivalent plan, that portion of wages deferred by those pilots to the 401K Plan or applicable Canadian equivalent plan will be excluded from ALPA dues calculations.

11. Company-paid moving expenses and allowances included on his W-2 or T-4 form, as applicable, and it is the member's obligation to advise the Association of such amounts when:

- (a) The member does not participate in dues check-off, and
- (b) Such amounts are included in his W-2 or T-4 form, as applicable.

12. Per diem, and it is the member's obligation to advise the Association of such amounts when:

- (a) The member does not participate in dues check-off, and
- (b) Such amounts are included in his W-2 or T-4 form, as applicable.

Interpretation questions or disputes about whether income is subject to dues are considered and resolved by referral to ALPA's governing bodies, beginning with the Executive Council and Executive Board.

The Company will provide a list of payroll "pay codes" to help facilitate efficient understanding and proper calculation of dues amounts.

D. Contact Persons

The Company and Association have agreed to provide each other with a list of persons designated to administer the union security provisions and address problems, if any, that arise. These persons and areas of responsibility are listed below:

[insert list]

Questions that arise in areas other than those listed above should be referred to the Company's Contract Administration Department and ALPA's Representation Department.

ALPA trusts that earlier discussions and this letter are helpful. If you have other questions, please don't hesitate to contact an Association representative.

Sincerely,

FDX MEC

AVIATION SAFETY ACTION PROGRAM (ASAP)
FOR FLIGHT DECK CREWMEMBERS
MEMORANDUM OF UNDERSTANDING
between the
FEDERAL AVIATION ADMINISTRATION,
and
FEDERAL EXPRESS CORPORATION,
and the
AIR LINE PILOTS
in the service of
FEDERAL EXPRESS CORPORATION
as represented by the
AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

1. GENERAL.

Federal Express Corporation (FedEx Express) is a Title 14 of the Code of Federal Regulations (14 CFR) air carrier, operating under Part 121, and engaged in worldwide cargo operations. FedEx Express operates over 320 aircraft, and employs approximately 4,500 flight deck crewmembers. The flight deck crewmembers are represented by the Air Line Pilots Association, Int'l (ALPA). The term "flight deck crewmember" in this Memorandum of Understanding (MOU) shall have the same meaning as the term "pilot" in the collective bargaining agreement between FedEx Express and ALPA.

2. PURPOSE.

The Federal Aviation Administration (FAA), FedEx Express, and ALPA are committed to improving flight safety. Each party has determined that safety would be enhanced if there were a systematic approach for flight deck crewmembers to promptly identify and correct potential safety hazards. The primary purpose of the FedEx Express Aviation Safety Action Program (ASAP) is to identify safety events, and to implement corrective measures that reduce the opportunity for safety to be compromised. In order to facilitate flight safety analysis and corrective action, FedEx Express and ALPA join the FAA in voluntarily implementing this ASAP for flight deck crewmembers, which is intended to improve flight safety through flight deck crewmember self-reporting, cooperative follow-up, and appropriate corrective action. This MOU governs the provisions of the program.

3. BENEFITS.

The program will foster a voluntary, cooperative, nonpunitive environment for the open reporting of safety of flight concerns. Through such reporting, all parties will have access to valuable safety information that may not otherwise be obtainable. This information will be analyzed in order to develop corrective action to help solve safety issues and possibly eliminate deviations from 14 CFR. For a report accepted under this ASAP MOU, the FAA will use lesser enforcement action or no enforcement action, depending on whether it is a sole-source report, to address an event involving possible noncompliance with 14 CFR. This policy is referred to in this MOU as an “enforcement-related incentive”.

4. APPLICABILITY.

The FedEx Express ASAP applies to all flight deck crewmember employees of FedEx Express and only to events that occur while acting in that capacity. Reports of events involving apparent noncompliance with 14 CFR that are not inadvertent or that appear to involve an intentional disregard for safety, criminal activity, substance abuse, controlled substances, alcohol, or intentional falsification are excluded from the program.

- a. Events involving possible noncompliance with 14 CFR by FedEx Express that are discovered under this program may be handled under the Voluntary Disclosure Policy, provided that FedEx Express voluntarily reports the possible noncompliance to the FAA and that the other elements of that policy are met. (See the current version of AC 00-58, Voluntary Disclosure Reporting Program, FAA Order 2150.3A, Compliance and Enforcement Program, and Compliance/Enforcement Bulletin No. 90-6).
- b. Any modifications of this MOU must be accepted by all parties to the agreement.

5. PROGRAM DURATION.

This is a Demonstration Program the duration of which shall be 12 months from the date this MOU is signed by the FAA (following signature by the other parties). If the program is determined to be successful after a comprehensive review and evaluation, the parties intend for it to be a Continuing Program. This ASAP may be terminated at any time for any reason by FedEx Express, the FAA, or ALPA. The termination or modification of a program will not adversely affect anyone who acted in reliance on the terms of a program in effect at the time of that action; i.e., when a program is terminated, all reports and investigations that were in progress will be handled under the provisions of the program until they are completed. Failure of any party to follow the terms of the program ordinarily will result in termination of the program. Failure of FedEx Express to follow through with corrective action acceptable to the FAA to resolve any safety deficiencies ordinarily will result in termination of the program.

6. REPORTING PROCEDURES.

When a flight deck crewmember observes a safety problem or experiences a safety-related event, he or she should note the problem or event and describe it in enough detail so that it can be evaluated by a third party.

a. ASAP Report Form.

At an appropriate time (see 6.b. below), the employee should complete the FedEx Express ASAP Form for each safety problem or event and submit it into the ASAP system by means of the online form, or as provided in 6.b.(1), fax or telephonically to the ASAP Manager. If the safety event involves a deviation from an ATC clearance, the flight deck crewmember should note the date, time, place, altitude, flight number, and ATC frequency, along with enough other information to fully describe the event and any perceived safety problem.

b. Time Limit.

Reports that the ERC determines to be sole-source will be accepted under the ASAP, regardless of the timeframe within which they are submitted, provided they otherwise meet the acceptance criteria of paragraphs 11.a.(2) and (3) of this MOU. Reports which the ERC determines to be non sole-source must meet the same acceptance criteria, and must also be filed within one of the following two possible timeframes:

- (1) Within 24 hours after the end of the duty period for the day of occurrence for domestic trips, or 48 hours after the end of the duty period for the day of occurrence for international trips, absent extraordinary circumstances. For example, for a domestic trip, if the event occurred at 1400 hours on Monday and a flight deck crewmember completes the duty period for that day at 1900 hours, the report should be filed no later than 1900 hours on the following day (Tuesday). In order for all employees to be covered under the ASAP for any apparent noncompliance with 14 CFR resulting from an event, they must all submit the same report or submit separate reports for the same event. Flight crewmembers are encouraged to notify other flight crewmembers of the submission of a separate ASAP report. If the FedEx Express ASAP form is not available online to the flight crewmember at the time he or she needs to file a report, the employee may contact the ASAP manager's office and file a report via fax or telephone within 24 or 48 hours, as applicable, after the end of the duty period for the day of occurrence, absent extraordinary circumstances. Reports filed telephonically within the prescribed time limit must be followed by a formal report submission within three calendar days thereafter.

(2) Within 24 hours of having become aware of possible non-compliance with 14 CFR provided the following criteria are met: If a report is submitted later than the time period after the occurrence of an event stated in paragraph 6.b.(1) above, the Event Review Committee (ERC) will review all available information to determine whether the flight deck crewmember knew or should have known about the possible noncompliance with 14 CFR within that time period. If the ERC determines that the employee did not know or could not have known about the possible noncompliance with 14 CFR until informed of it, then the report would be included in ASAP, provided the report is submitted within 24 hours of having become aware of possible noncompliance with 14 CFR, and provided that the report otherwise meets the acceptance criteria of this MOU. If the employee knew or should have known about the possible noncompliance with 14 CFR, then the report will not be included in ASAP.

c. Non-reporting employees covered under this ASAP MOU.

If an ASAP report identifies another covered employee in an event involving possible noncompliance with 14 CFR and that employee has neither submitted that report nor submitted a separate report, the ERC will determine on a case-by-case basis whether that employee knew or reasonably should have known about the possible noncompliance with 14 CFR. If the ERC determines that the employee did not know or could not have known about the apparent possible noncompliance with 14 CFR, and the original report otherwise qualifies for inclusion under ASAP, the ERC will offer the non-reporting employee the opportunity to submit his/her own ASAP report. If the non-reporting employee submits his/her own report within 24 hours of notification from the ERC, that report will be afforded the same consideration under ASAP as that accorded the report from the original reporting employee, provided all other ASAP acceptance criteria are met. However, if the non-reporting employee fails to submit his/her own report within 24 hours of notification from the ERC, the possible noncompliance with 14 CFR by that employee will be referred to an appropriate office within the FAA for additional investigation and reexamination and/or enforcement action, as appropriate, and for referral to law enforcement authorities, if warranted.

d. Non-reporting employees not covered under this ASAP MOU.

If an ASAP report identifies another FedEx Express employee who is not covered under this MOU, and the report indicates that employee may have been involved in possible noncompliance with 14 CFR, the ERC will determine on a case-by-case basis whether it would be appropriate to offer that employee the opportunity to submit an ASAP report. If the ERC determines that it is appropriate, the ERC will provide that employee with information about ASAP and invite the employee to submit an ASAP report. If the employee submits an ASAP report within 24 hours of notification from the ERC, that report will be covered under ASAP, provided all other ASAP acceptance criteria are met. If the employee fails to submit an ASAP report within 24 hours of notification from the ERC, the possible noncompliance with 14 CFR by that employee will be referred to an appropriate office within the FAA for additional investigation and reexamination and/or enforcement action, as appropriate, and for referral to law enforcement agencies, if warranted.

7. POINTS OF CONTACT.

The ERC will be comprised of one representative from FedEx Express Management; one representative from ALPA; and one FAA inspector assigned as the ASAP representative from the Certificate Holding District Office (CHDO) for FedEx Express; or their designated alternates in their absence. In addition, FedEx Express will designate one person who will serve as the ASAP manager and other individual(s) who will serve as ASAP coordinator(s). The ASAP manager and coordinator(s) will be responsible for program administration, and will not serve as a voting members of the ERC.

8. REPORT HANDLING.

- a. The ASAP manager and coordinator(s), along with any other individual involved in the ASAP process, shall conduct activities in strict confidence. When the ASAP manager receives the report, he or she will ensure an ASAP coordinator records in the database the date and time of any event described in the report and the date and time the report was submitted and by what means: online, fax, or telephonically (if the report was filed telephonically, the ASAP coordinator shall also record the date and time the formal report was filed). The ASAP coordinator will enter the report, along with all supporting data in the database, and the report shall be placed on the agenda for the next ERC meeting. All flight deck crewmember identifying data shall be removed for the initial ERC review and shall not be disclosed except to members of the ERC, and only in accordance with this MOU. To confirm that a report has been received, the ASAP coordinator will send a written receipt electronically to each employee who submits a report. Upon request, a flight deck crewmember who submitted an ASAP report will be provided a copy of such report.
- b. The ERC will determine whether a report is submitted in a timely manner or whether extraordinary circumstances precluded timely submission. The flight deck crewmember shall be notified of the ERC's determination as soon as practicable. After the ERC's determination of acceptance into the ASAP of a report, and, at the request of the ERC, the ASAP manager shall inform the ERC of a reporting flight deck crewmember's identity. The ASAP manager will serve as the focal point for information about, and inquiries concerning the status of ASAP reports and for the coordination and tracking of ERC recommendations.

9. EVENT REVIEW COMMITTEE (ERC).

The ERC will review and analyze reports submitted by the flight deck crewmembers under the program, identify actual or potential safety problems from the information contained in the reports, and propose solutions for those problems. The ERC will provide feedback and report on any ASAP resolution status to the individual who submitted the report.

- a. The ASAP manager and the ERC will maintain a secure database that continually tracks each event and the analysis of those events. Access shall be solely limited to the ASAP manager, ASAP coordinator(s) and the ERC. The ERC will conduct a periodic 12-month review of the ASAP database with emphasis on determining whether corrective actions have been effective in preventing or reducing the recurrence of safety-related events of a similar nature. That review will include possible additional recommendations for corrective action for recurring events indicative of adverse safety trends.
- b. This periodic review is in addition to any other reviews conducted by the FAA.—The ERC will also be responsible for preparing a final report on the demonstration program at its conclusion. If an application for a continuing program is anticipated, the ERC will prepare and submit a report with the certificate holder's application to the FAA 60 days in advance of the termination date of the demonstration program.

10. ERC PROCESS.

- a. The ERC will meet as necessary to review and analyze reports that will be listed on an agenda submitted by the ASAP manager. The ERC will determine the time and place of the meeting. The ERC will meet at least twice a month, and the frequency of meetings will be determined by the number of reports that have accumulated or the need to acquire time-critical information. ERC representatives shall conduct activities in strict confidence. No person shall attend any ERC meeting without the consensus of the ERC, and any observer shall be bound by the same

confidentiality requirement as stated above for the ERC representatives.

- b. The ERC will make its decisions involving ASAP issues based on consensus.—Under the FedEx Express ASAP, consensus of the ERC means the voluntary agreement of all representatives of the ERC. It does not require that all members believe that a particular decision or recommendation is the most desirable solution, but that the result falls within each member's range of acceptable solutions for that event in the best interest of safety. In order for this concept to work effectively, each ERC representative shall be empowered and be free to act and decide issues within the context of the ERC discussions on a given report. Neither senior management, supervisors of the Company nor officials or members of ALPA shall preempt or seek to preempt their respective ERC representative's decision-making. The ERC representatives will strive to reach consensus on whether a reported event is covered under the program, how that event should be addressed, and the corrective action or any enforcement action that should be taken as a result of the report. For example, the ERC should strive to reach a consensus on the recommended corrective action to address a safety problem such as an operating deficiency or airworthiness discrepancy reported under ASAP. The corrective action process would include working the safety issue(s) with the appropriate departments at the airline and the FAA that have the expertise and responsibility for the safety area of concern. Recognizing that the FAA holds statutory authority to enforce the necessary rules and regulations, it is understood that the FAA retains all legal rights and responsibilities contained in Title 49, United States Code, and FAA Order 2150.3A. In the event there is not a consensus of the ERC on decisions concerning a report involving an apparent violation(s), a qualification issue, or medical certification or medical qualification issue, the FAA ERC representative will decide how the report should be handled. The FAA will not use the ASAP report nor the content of the ASAP report in any subsequent enforcement action, except as described in paragraph 11.a.(3) of this MOU.
- c. It is anticipated that three types of reports will be submitted to the ERC: safety-related reports that appear to involve a possible noncompliance with 14 CFR, reports that are of a general safety concern, but do not appear to involve possible noncompliance with 14 CFR, and any other reports: e.g., involving catering, etc. All safety-related reports shall be fully evaluated and, to the extent appropriate, investigated.
- d. The ERC will return non-safety reports to the crewmember submitting the report who may elect to forward the report to the appropriate FedEx Express department head for his/her information and, if possible, internal (FedEx Express) resolution. For reports related to flight safety, including reports involving possible noncompliance with 14 CFR, the ERC will analyze the report, conduct interviews of reporting flight deck crewmembers, and gather additional information concerning the matter described in the report, as necessary.
- e. The ERC should also make recommendations to FedEx Express for corrective action for systemic issues. For example, such corrective action might include changes to FedEx Express flight operations procedures, aircraft maintenance procedures, or modifications to the training curriculum for flight deck crewmembers. Any recommended changes that affect FedEx Express will be forwarded through the ASAP manager to the appropriate department head for consideration and comment, and, if appropriate, implementation. The FAA will work with FedEx Express to develop appropriate corrective action for systemic issues. The ASAP coordinator will track the implementation of the recommended corrective action and report on associated progress as part of the regular ERC meetings. Any recommended corrective action that is not implemented should be recorded along with the reason it was not implemented.

- f. When, in the course of carrying out its ASAP responsibilities, the ERC becomes aware of an issue involving the medical qualification or medical certification of an airman, the ERC must immediately advise the appropriate FAA Regional Flight Surgeon about the issue. The ERC will work with the Regional Flight Surgeon and the certificate holder's medical department or medical consultants, and the ALPA Aeromedical Office, to resolve any medical certification or medical qualification issues or concerns revealed in an ASAP report, or through the processing of that report. The FAA ERC member must follow the direction(s) of the Regional Flight Surgeon with respect to any medical certification or medical qualification issue(s) revealed in an ASAP report.
- g. Any corrective action recommended by the ERC for a report accepted under ASAP must be completed to the satisfaction of all members of the ERC, or the ASAP report will be excluded from the program, and the event may be referred to the FAA for further action, as appropriate.
- h. Use of the FedEx Express ASAP Report.
Neither the ASAP report nor the content of the ASAP report will be used to initiate or support any company disciplinary action, or as evidence for any purpose in an FAA enforcement action, except as provided in paragraph 11.a.(3) of this MOU. The FAA may conduct an independent investigation of an event disclosed in a report.

11. FAA ENFORCEMENT.

- a. Criteria for Acceptance.
The following criteria must be met in order for a report to be covered under ASAP:
 - (1) The employee must submit the report in accordance with the time limits specified under Paragraph 6 of this MOU;
 - (2) Any possible noncompliance with 14 CFR disclosed in the report must be inadvertent and must not appear to involve an intentional disregard for safety; and,
 - (3) The reported event must not appear to involve criminal activity, substance abuse, controlled substances, alcohol, or intentional falsification. Reports involving those events will be referred to an appropriate FAA office for further handling. The FAA may use the content of such reports for any enforcement purposes and will refer such reports to law enforcement agencies, if appropriate. If upon completion of subsequent investigation it is determined that the event did not involve any of the aforementioned activities, then the report will be referred back to the ERC for a determination of acceptability under ASAP. Such referred back reports will be accepted under ASAP provided they otherwise meet the acceptance criteria contained herein.
- b. Administrative Action.
Notwithstanding the criteria in paragraph 205 of FAA Order 2150.3A, possible noncompliance with 14 CFR disclosed in a non-sole-source ASAP report that is covered under the program and supported by sufficient evidence will be addressed with administrative action (i.e., a FAA Warning Notice or FAA Letter of Correction, as appropriate). Sufficient evidence means evidence gathered by an investigation not caused by, or otherwise predicated on, the individual's safety-related report. There must be sufficient evidence to prove the violation, other than the individual's safety-related report.—In order to be considered sufficient evidence under ASAP, the ERC must determine through consensus that the evidence (other than the individual's safety-related report) would likely have resulted in the processing of a FAA enforcement action had the individual's safety-related report not been accepted under ASAP. Accepted non sole-source reports for which there is not sufficient evidence will be closed with a FAA Letter of No Action.

c. Sole-Source Reports.

A report is considered a sole-source report when all evidence of the event available to the FAA is discovered by or otherwise predicated on the report. Apparent violations disclosed in ASAP reports that are covered under the program and are sole-source reports will be addressed with an ERC response (no FAA action). It is possible to have more than one sole-source report for the same event.

d. Reports Involving Qualification Issues.

FedEx Express ASAP reports covered under the program that demonstrate a lack, or raise a question of a lack, of qualification of a certificate holder employee will be addressed with corrective action, if such action is appropriate and recommended by the ERC. If an employee fails to complete the corrective action in a manner satisfactory to all members of the ERC, then his/her report will be excluded from ASAP. In these cases, the ASAP event will be referred to an appropriate office within the FAA for any additional investigation and reexamination and/or enforcement action, as appropriate.

e. Excluded from ASAP.

Reported events involving possible noncompliance with 14 CFR that are excluded from ASAP will be referred by the FAA ERC member to an appropriate office within the FAA for any additional investigation and re-examination and/or enforcement action, as appropriate.

f. Corrective Action.

Employees initially covered under an ASAP will be excluded from the program and not entitled to the enforcement-related incentive if they fail to complete the recommended corrective action in a manner satisfactory to all members of the ERC. Failure of an employee to complete the ERC recommended corrective action in a manner satisfactory to all members of the ERC may result in the reopening of the case and referral of the matter for appropriate action. All corrective action shall be conducted on a "train to proficiency" basis. In recommending corrective action the ERC shall state the exact nature of any corrective action with specificity so that the individual charged with carrying out the review of that corrective action will confine that review to the specific corrective action only. The pilot(s) shall be advised of such prior to its commencement with appropriate time for preparation.

g. Repeated Instances of Noncompliance with 14 CFR.

Reports involving the same or similar possible noncompliance with the Regulations that were previously addressed with administrative action under ASAP will be accepted into the program, provided they otherwise satisfy the acceptance criteria in paragraph 6 above. The ERC will consider on a case-by-case basis the corrective action that is appropriate for such reports.

h. Closed Cases.

A closed ASAP case including a related enforcement investigative report involving a violation addressed with the enforcement-related incentive, or for which no action has been taken, may be reopened and appropriate enforcement action taken if evidence later is discovered that establishes that the violation should have been excluded from the program.

12. EMPLOYEE FEEDBACK.

The ASAP manager will publish a synopsis of the reports received from flight deck crewmembers in the ASAP section of a quarterly safety publication(s). The synopsis will include enough information so that flight deck crewmembers can identify their reports. Employee names, and other non-critical information that can be de-identified without compromising the substance of the report, will not be included in the

synopsis. The outcome of each report will be published. Any employee who submitted a report may also contact the ASAP manager to inquire about the status of his/her report. In addition, each employee who submits a report accepted under ASAP will receive individual feedback on the final disposition of the report.

13. INFORMATION AND TRAINING.

The details of the ASAP will be made available to all flight deck crewmembers and their supervisors by publication in the FedEx Express ASAP Brochure. Each FedEx Express flight deck crewmember and appropriate manager will receive written guidance outlining the details of the program at least two (2) weeks before the program begins. Each flight deck crewmember will also receive additional instruction concerning the program during the next regularly scheduled recurrent training session, and on a continuing basis in recurrent training thereafter. All new-hire flight deck crewmember employees will receive training on the program during initial training.

14. REVISION CONTROL.

Revisions to this MOU shall be in writing and documented using standard revision control methodology.

15. RECORDKEEPING.

All documents and records regarding this program will be kept by the FedEx Express ASAP manager and made available to the other parties of this agreement at their request. All records and documents relating to this program will be appropriately kept in a manner that ensures compliance with 14 CFR and all applicable law (including the Pilot Records Improvement Act). ALPA and the FAA will maintain whatever records they deem necessary to meet their needs.

16. SIGNATORIES.

All parties to this ASAP are entering into this agreement voluntarily.