

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

**MEDIATION**

This Letter of Agreement (“LOA”) is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between FEDERAL EXPRESS CORPORATION (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 are parties to a collective bargaining agreement setting forth the rates of pay, rules, and working conditions for the Company’s pilots (hereinafter referred to as the “basic Agreement”), effective on \_\_\_\_\_, and

WHEREAS, the parties agree that the following terms and conditions shall govern the Administrative Grievance Mediation Process.

NOW, THEREFORE, the parties agree as follows:

**A. Mediation Process**

1. The grievance mediation process, hereinafter referred to as the “Mediation Conference,” shall be scheduled by mutual agreement of parties. A total of three Mediation Conferences may be scheduled by the parties each calendar year. Each Mediation Conference shall be scheduled for two consecutive days of a single week, with a maximum of two cases heard per day. A Mediation Conference shall be in addition to any hearing dates scheduled in accordance with Section 20, unless the parties agree otherwise.
2. Each party shall be entitled to designate a maximum of six cases per calendar year for mediation, unless otherwise agree to in writing by the parties. Only cases grieved pursuant to Section 20 of the Agreement and Appealed pursuant to Section 21 are eligible for mediation.
3. The Company and the Association shall designate a case for mediation and appeal within the Section 20.E. time limits (including modified time limits by agreement).

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4. The Company and the Association may designate a particular case to be heard at the next available Mediation Conference, so long as that Conference is not within the next 30 days, at the time they confer pursuant to Section 21.B.1.
  - a. The Association may designate a case for Mediation by informing the Company in writing of this designation and also submitting a Section 21.B.3. Appeal to the Company that does not identify a neutral System Board member or System Board setting.
  - b. The Company may designate a case for Mediation only after the Association has indicated an intent to appeal the matter before the System Board of Adjustment. The Company shall designate the matter for mediation in writing to the Association and the Association shall have 10 days following that notice to submit a Section 21.B.3. Appeal to the Company that does not identify a neutral System Board member or System Board setting.
  - c. At the earliest possible time following either party's designation of a case for mediation, the parties shall forward to the mediator the Section 20 Grievance and Decision Letter, as well as the Section 21.B.3. Appeal.
5. The Company and the Association shall each appoint a principal spokesperson for each case at a Mediation Conference and provide written notice of that spokesperson to the other party at least 15 days prior to the mediation.
6. Either party may present the mediator with a brief written statement of the facts, the issue(s), and the arguments in support of positions taken. This written statement shall be treated as confidential, and not provided to the other party, unless otherwise agreed to by the parties. If a party elects to forego a written statement, it may make a confidential oral statement to the mediator. The parties may further agree to make opening statements before the other party at the beginning of the Mediation Conference.
7. No audio or video recording of the Mediation Conference, or any written transcript, shall be made.
8. The mediator shall have the authority to meet separately with either the Association or the Company in the Mediation Conference
9. If no settlement is reached during the Mediation Conference, the mediator shall provide the parties with a timely, written advisory decision, unless the parties mutually agree that no such decision is required. When rendering an advisory decision, the mediator shall state the grounds for such decision, however, any written decision may be in an abridged format.
10. Within 30 days of the issuance of a Paragraph 9 decision (or agreement that no decision is required), and following a Section 21.B.1. conference, ALPA shall update its Appeal to designate the matter before a System Board neutral at an agreed upon System Board setting, no other changes to the Appeal shall be

made, without the agreement of the parties.

11. Grievances settled during a Mediation Conference shall be considered non-precedential/non-referable, unless the Association and the Company otherwise mutually agree, in which case the parties shall document their understanding.
12. In the event a grievance which has been the subject of a Mediation Conference is subsequently heard before the System Board of Adjustment, the mediator may not serve as the arbitrator for that or a related proceeding. During the Board proceeding on such a grievance, no reference shall be made to the fact that the grievance was the subject of a Mediation Conference, nor shall there be any reference to statements made, documents provided, or actions taken by either the mediator or the participants during the course of a Mediation Conference, unless the party offering such statements, documents or actions would have had access or entitlement to them outside of the Mediation Conference.
13. The Mediation Conference panel shall be made up of one mediator unilaterally selected by each party and one mediator that is mutually agreed to by the parties. Prior to scheduling the next year's Mediation Conferences, each party may elect to strike one mediator from the panel. A party may not strike a mutually agreed to mediator or a mediator unilaterally selected by the other party until that mediator has been on the current Mediation Conference panel for two consecutive years. The parties shall use the Section 21.E.2.c. process to replace any mutually agreed to mediator.
14. Upon the selection of the mediator, the parties shall provide the mediator with an introduction letter setting forth the parties' expectations for this process, including how it may differ from traditional mediation.
15. The parties shall equally share the fees and expenses of the mediator and any conference facilities costs.

### **B. Ongoing Implementation Measures**

The parties foresee that with this new mediation process measures facilitating the implementation and administration of this LOA may be needed. To that end, those measures may be implemented if agreed upon in writing by the Vice President, Labor & Employment and the Association's MEC Chair.

### **C. Effective Date and Duration**

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

IN WITNESS WHEREOF, the parties hereto have signed this Mediation Letter of Agreement this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.