

Gentlemen:

The letter is intended to describe FedEx Corporation's intentions and commitments with respect to the interaction between FedEx Corporation ("FedEx Corp") and its Affiliates, which includes Federal Express Corporation (the "Company"), specifically concerning subsequently acquired or developed air carrier operations by FedEx Corp. or any of its Affiliates.

The Company is a Railway Labor Act (RLA) carrier whose operations are interconnected and integrated with its ground, hub and other support operations. Should FedEx Corp. or its Affiliates acquire or develop any RLA carrier it shall be housed within the Company. In other words, it is not the intent of FedEx Corp. to run or acquire an "alter ego" airline to compete with the Company.

As for FedEx Corp.'s Affiliates, other than the Company, it should be noted that some of these companies have, as part of their business model, relationships with other airlines as well as the Company in order to service their customers. However, none of these companies owns or operates any aircraft with pilots. Should any of these Affiliates 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 aircraft and pilots will be moved to the Company to be housed within the Company.

FedEx Corp. further commits to be bound by Sections 1.C. and 1.D.2. of the collective bargaining agreement between the Company 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 this agreement.

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