

1972	<p>FedEx begins operations as a charter operator flying mostly mail. After several pilots initially trained by the Company resign, FedEx begins to charge \$8,800 for a type rating, and 70 percent of the pilots sign cards authorizing a representational vote with ALPA on the ballot. The final vote fails by a narrow margin after management threatens to shut down operations if ALPA wins.</p>
1973	<p>FedEx begins package service in April serving 25 cities. The first night of operation is conducted with much fanfare. Seven packages arrive.</p> <p>Pilots determine they need some type of system to address problems and make suggestions to FedEx management. The Federal Express Pilots Association (FEPA) is formed.</p>
1974	<p>The original "pilot review board" is established. This is the forerunner to the Guaranteed Fair Treatment (GFT) system, but for pilots only. Management refuses to recognize a seniority system and changes its work rules at will. Pilots approach ALPA for representation; ALPA loses the election by a narrow vote after Fred Smith makes a personal appeal to the pilots, promising firm work rules, salary review, and a seniority system. Mr. Smith asks for 10 years of no union and states that at the end of this period, if pilots are still unhappy, pilots should get the best representation available. He makes the comment "get the best, get ALPA." FEPA is disbanded.</p> <p>Company pilot manning is in excess. Management reassigns (no furlough policy) 30 pilots to the hub to throw boxes at hub pay rates, approximately \$7 per hour. Reassignment lasts approximately six months while current crewmembers pick up additional overtime flying.</p> <p>The Company financial picture is gloomy. There is talk of bankruptcy. On Christmas Eve, pilots returning from trips find flight management distributing eight-pound frozen turkeys to all employees courtesy of Mr. Smith's personal purchase.</p>
1975	<p>After dissolving FEPA, a period of time elapses where there is no input to management. This period is followed by a series of committees; the Standards Committee, the Scheduling Committee, the Pay Committee, etc. This program goes the way of FEPA in favor of a Flight Council System, modeled after ALPA. The initial Flight Crew Handbook (FCH), containing work rules and compensation, is written by a committee of the Flight Council and is published. The contents of the FCH are formulated through "discussions" between members of the Flight Council and management. Pilots "have a vote" in approving the work rule portion of the FCH.</p>
1976	<p>The Company needs large aircraft because the Falcon Fleet has been outgrown. Thirty-two Falcons of the original 33 remain (one was lost in an accident). These Falcons are flying what the FedEx PR people call "wing tip to wing tip" (formation) to major markets. FedEx attempts to buy DC-9s but is thwarted by the major passenger carriers that see FedEx as a threat. Mr. Smith lobbies for legislation that would allow an FAR-135 operator (such as FedEx) to operate large airplanes on an exemption. The</p>

	<p>attempt fails.</p> <p>Management establishes a retirement plan pegged at 40 percent of Final Average Earnings (FAE) with a COLA (Cost of Living Adjustment). A deferred and current Profit Sharing Plan (PSP) of approximately 4 percent is also established, funded by <u>discretionary</u> company contributions (deferred, for retirement; current, twice yearly in cash). Mr. Smith <u>personally</u> makes a promise to provide a 60 percent retirement level using a combination of the two plans. Because profits soar, Fred Smith states, "You will make more money the day you retire than the last day you worked."</p>
1977	<p>Mr. Smith again approaches Congress. At the time, deregulation is a hot item, and he sees an opportunity to support legislation separating all-cargo carriers from passenger carriers. Congress separates cargo carriers. The deregulation of all-cargo carriers precedes deregulation of passenger carriers by one year.</p> <p>Controversy over pay scales continues. In lieu of a pay raise, management offers a "volunteer" system with overtime flying at <u>one-half</u> of hourly rates. After many complaints from pilots, overtime flying is instituted at normal hourly rates. Management proposes to pay pilots 50 percent of airline rates for 727 flying. One pilot stands and challenges management's proposal, stating, "If we work for dog-s*?# wages now, we will work for dog-s*?# wages forever."</p>
1978	<p>Brian Pecon, then senior vice president of flight, states to the Flight Council that FedEx pilots would be paid in the top 10 percent of all major U. S. carriers. The goal is for FedEx pilots to start at the top of the scale, and as the major carriers received pay raises, FedEx pilots to slide backward until reaching the next quarterly pay review or 75 percent mark. At that time our rate would again be raised, placing us back near the top. To this end, the pilots would never be below 75 percent.</p> <p>FedEx takes delivery of first B-727-100 in January and receives the first FAR Part 121 Air Carrier Certificate, awarded as a result of the 1977 Deregulation Act.</p>
1979	<p>FedEx takes delivery of five new B-737 QC (quick change) freighters and considers operating passenger charters from Chicago (Midway) by day and converting to cargo operation by night. This idea never comes to fruition. The aircraft are sold in 1980.</p> <p>Mr. Smith states at a Flight Council meeting that employees would <b>probably</b> receive 75 to 80 percent of their salary at retirement.</p> <p>A quarterly pay review program is established where FedEx pilots were to be in upper third (33 percent) of industry hourly pay rates with the ultimate goal of placing the FedEx pilots in the top 25 percent. Captain John Poag does the first quarterly pay survey by hand in 1979. During this pay review, management violates its own proposal when the pay survey indicates that pilots should receive an immediate pay raise and it refuses.</p>

<p><b>1980</b></p>	<p>DC-10-10s begin to join fleet.</p> <p>Management calls for a rewrite of FCH. The Rewrite Committee is made up of management and line pilots. After approximately a year-and-a-half of work, a new FCH is finalized that is fair to both the Company and the pilots. Subsequently, management forms its own committee, and without input from line pilots, completely rewrites what the original committee presented and believed to be the final, agreed-upon FCH. Management then institutes the revised FCH with no further input or approval from the pilots. Captains Don Wilson, John Massey, and Bob Vessey are the pilot members to this committee, and Bill Finnegan is the full-time management representative who served along with various other management personnel.</p> <p>Flight Council and management agree on pay scales and comparisons. Some time later, management reneges at a pilot meeting, resulting in two council representatives resigning in protest.</p>
<p><b>1981</b></p>	<p>The Flight Council is in disarray as all members resign in protest after meeting with Peter Willmont, then president. Management abolishes the Flight Council. After a year of meetings between management and the Rewrite Committee (1980-1981), a new FCH is finally completed and approved by the crew force in April. The majority of this instrument is written by management. A new set of work rules and hourly pay scales, set at 75 percent of industry average, is established. Management's reason for low pay scales is FedEx pilots' low block-hour and duty-hour totals in comparison to trip hours (i.e., soft vs. hard time). Pilots no longer vote on work rules; they only have the opportunity to "review and comment."</p> <p>FCH Chapter 6, International Operations, contains only basic FARs. Management's position is: "We do not fly international; therefore, we do not need international rules. We can add them later."</p> <p>Initial FCH establishes 1+00 show time prior to flight and 30 minutes after block-in with the following duty period parameters: 13+00 scheduled; 14+30 operational. FedEx flight schedule consists of 12 workdays in a four-week month and 15 workdays in a five-week month. Virtually the entire flight schedule consists of night hub flights to and from Memphis with day and weekend layovers. The only exceptions are two-day West Coast trips and, during heavy flying periods, out and backs.</p> <p>Crewmembers have no pilot/management representational body during the rewrite phase of the FCH. In the latter months of 1981, management establishes the Flight Advisory Board (FAB). The representatives are not allowed to meet until January 1982. The entire FAB structure is conceived and its constitution written by management, then Chief Pilot Steve Campbell.</p>
<p><b>1982</b></p>	<p>The initial moving policy excludes pilots from certain moving benefits enjoyed by other similarly compensated FedEx employees (i.e., third party purchases and mortgage differentials).</p> <p>Current profit sharing is capped at \$1,000 for "highly paid employees."</p>

Pilots want indexing for long-term disability, which is capped at \$4,000 per month (\$48,000 per year).

Management gives additional per diem, stock purchase plan and insurance benefits rather than a pay raise. Stock is to be purchased at a discount.

Bid line carry-over, originally at about seven hours, begins to increase, providing management with more overtime flying performed at regular hourly pay rates (straight time vs. overtime). Reserve line guarantee (RLG) does not, however, reflect carry-over in its computations: RLG value is based on BLG only (no carry-over included).

**1983** Disability is raised to \$6,000 per month (\$72,000 per year) but without indexing. During this time, the pilots are paying 50 percent of the disability insurance premium. This practice continues until the Tiger buyout, when the Company assumes 100 percent of the premiums.

**1984** DC-10 international charters begin to Europe, utilizing newly acquired DC-10-30s.

ZAP Mail starts under the project name of "Gemini."

Charter operators, such as Emery and Iasco, are added to the quarterly pay comparison to keep the pilots in the promised 75 percent of "industry average."

Cash contributions to deferred profit sharing are suspended without notification to the pilots. The loss of the deferred profit sharing is a huge blow to the pilots. The deferred profit sharing plan had been averaging nearly 5 percent per year. The pilots will have to wait until the 1999 FPA contract that includes a "multiplier" as part of the defined benefit plan for the older pilots and a 6 percent B-plan to begin recovering 15 years of lost profit sharing and compounding. The pretty good pension program is now substandard. It will not be until late 1988 that pilots are able to get any attention from management concerning this loss and the loss of COLA, which occurs later. The pilots, who have complicated work rules, are an easy target for extracting savings for the Company. Most pilots do not realize the significance of the losses they are sustaining until it is too late to do anything about it.

Ad hoc supplemental lift aircraft are augmented by a dedicated feeder system. Pilots view this as a possibility of splitting part of the airline into a low-cost, separate, alter-ego airline. Initial management statements include feeder pilots on our seniority system. Management then states they will farm out feeder system flying to outside concerns. In later presentations to the pilots, Mr. Smith tries to soften his actions by stating that there would never be many feeders and certainly never any large feeder aircraft. *[As of May 2004, FedEx has 305 Feeders, some with a MTOGW of 48,000 lbs. (ATR 72)]*

Overtime (volunteer, reverse seniority) pay, as well as per diem, is included in pilot salaries for the quarterly pay reviews. FAB objects to the new format. It is now possible for management to misrepresent pilot pay comparisons to give the illusion FedEx

pilots' pay is relatively equal to the other major carriers. Small numbers of pilots flying lots of "overtime" skew the FedEx pilot averages used in the pilot quarterly pay review.

Management proposes a fixed salary system, requiring additional days of work per month, pay grouping by seats and a two-tier pay system. FAB argues against all three, and management modifies proposals insisting on 13-year, two-tier pay system. FAB attempts to appeal directly to the CEO by circulating a petition requesting the following: (1) no more skewed W-2 pay comparisons; (2) feeder pilots to be on our master seniority list system; and (3) elimination of the two-tier pay, 13-year proposal. Ninety-five percent of FedEx pilots sign the petition, which is delivered to the COO at a FAB meeting. The signatures on the petition get management's attention. All FedEx pilots are required to attend the "Infamous Hangar Meeting" by Mr. Smith. The meeting is an hour-long diatribe in which he characterizes FedEx pilots as ungrateful and the FAB as incompetent. Other employees are invited to observe Mr. Smith dress down the pilots.

Mr. Smith writes a letter to Flight Operations stating that a 40,000-pound maximum gross weight limit be established for the feeder system aircraft, putting in writing his promise to pilots designed to address their job protection concerns.

**1985** Volunteer and reverse seniority pay are removed from the pay comparisons; however, pay scales of airlines in bankruptcy are **added** to the pay comparisons. Pay grouping is again proposed, at lowest position versus highest position. Senior management states that training costs are extreme. FAB and some flight management counter with a Freeze and Passover Program. Management accepts, but when the chief pilot asks for a realignment of new hire pay, the FAB agrees to a modified "B" scale with parity at four (4) years.

International small package service begins to Europe, using B-727s in three-leg flights across the Atlantic. Duty time parameters adjusted for international flights: 1+30 show time and 1+00 after block-in.

Personnel department staff attempt to ram a change through the FCH revision process, which redefines the word "trip." Under this definition, a trip would be able to cycle through a pilot's domicile without ending, while keeping the pilot on Minimum Pay per Duty Period (MPDP).

Employee Stock Ownership Plan (ESOP) and TIP (401-K) programs start. FAB complains that the Deferred Profit Sharing Program has not been funded with cash since 1983. Consequently, everyone involved has lost a substantial amount of retirement monies through the loss of compounding, which was an integral part of management's original retirement promise.

Pilots (over the age of 60) begin flying as second officers, but no longevity is given for pension purposes, even though they have not reached 25 years of service.

Pilots begin to receive reimbursement for moving expenses.

<p><b>1986</b></p>	<p>Chapter 6 of the FCH is finally rewritten to reflect international operations. Flight time raised to FAR limits of 12+00 internationally. Duty time divided into two groups: 14+00 scheduled (15+00 operational) for international trips with less than two stops and 11+30 scheduled (13+00 operational) for more than two stops.</p> <p>ZAP Mail program terminated with an initial write-off of approximately \$350 million. According to a past Company vice president, the eventual write-off topped <b>one billion dollars</b>.</p> <p>NASA-AMES sleep study commences in summer. FedEx pilots will provide cargo night flying data to NASA's research.</p> <p>FedEx considers purchase of Flying Tigers routes in May, but Tigers routes later withdrawn from the market.</p> <p>COO proposes to FAB that retirement will be raised from 40 percent to 50 percent, but the proposal is delayed until 1989. Also, the COO reports that cash will again be put into the Deferred Profit Sharing in 1987 <i>at management's discretion</i>.</p>
<p><b>1987</b></p>	<p>FAB insists that the Company pick up part of the cost of pilot uniforms since they were paying for all other employees' uniforms.</p> <p>Dr. Masters becomes FedEx pilots' medical consultant after several pilots are placed on permanent pilot disability for heart problems. The Personnel Department refuses to pay the initial cost of pilots' evaluation(s), and funds are obtained from flight department funds.</p> <p>Management fails to make good on their 1986 promise – again there is no cash put into the Deferred Profit Sharing.</p> <p>After years of pressure from the FAB, management agrees that a 24-hour on-call reserve period does not allow a pilot to adequately plan his rest and duty cycle. A committee composed of management and pilot members is tasked to study the concept of an "A/B Reserve" system, like those that currently exist at other airlines. It will take almost two years of "studying" before the committee can reach an agreement.</p> <p>DC-10-30s begin charters to Hong Kong. Duty time stretches to 14 hours scheduled; 15 hours operational. Management "insists" on a revision to the FCH to allow more block time in a given duty period.</p>
<p><b>1988</b></p>	<p>The international 1+00 post-block-in time reduced to thirty (0+30) to accommodate Hong Kong trips. Management pilots fly trips until revision is inserted into FCH. Line crews are paid for scheduled trips.</p> <p>Despite the earlier commitment by Mr. Smith, in the late summer of 1988, management raises the FCH weight limit for feeder aircraft to 50,000 pounds to allow the operation of four F-27 aircraft that they have <b>already</b> purchased. The FAB tries to insert industry standard scope language into the FCH. Mr. Smith insists on very</p>

simplified scope language covering FedEx freight. In an attempt to appease the pilots, he offers a “trade off” proposal whereby **Section I-96** is inserted into the FCH stating that in the event of a merger or acquisition of another airline, FedEx pilots will have seniority preference. The FAB has no choice but to accept.

FCH revision for bulletin process voted on and passed by pilots. Bulletin system authorized FAB to temporarily modify the FCH (with provisions that would expire) without going through the revision process. The bulletin process begins to be used in such a manner as to bypass the normal pilot review procedure all together. **No more revisions 1988-1993.**

FTL acquisition announced December 1988. Mr. Smith reneges on his “50,000 lb. Feeder limit trade-off” in which he promised FedEx pilots seniority preference in a merger/acquisition. He specifically states that **FCH I-96**, to which he committed only four months prior, would have to be exempted for the Tigers purchase. The Flying Tigers pilots had an ALPA contract with language that specifically spelled out the procedures for merging the seniority lists. Mr. Smith had to choose between a contract and a promise. He chose to break his promise. But more to the point, the FCH was a contract between FedEx and each individual pilot. FedEx pilots had no structure (union) to enforce I-96. The Tiger pilots had ALPA and posed a significantly greater litigation threat to the corporation.

NASA sleep study input terminated.

**1989** After almost two years of talks, the Management/FAB Committee, tasked with designing an “A/B Reserve” system, presents their plan. Management agrees to test the A/B Reserve System on the B-727 engineers for one bid period. At the conclusion of the test, management states the plan will “cost more than the present reserve system and therefore is too expensive to justify implementation.” It will be 10 more years before the A/B Reserve System is implemented as part of the FedEx pilots’ first collectively bargained agreement on May 31, 1999.

Three members of the FAB, Capts. Don Engebretsen, Al Smith, and John Poag, resign and start an independent union movement in hope of giving FedEx pilots some control over the upcoming seniority list arbitration between the FedEx/Tiger pilot groups. They take this action when it becomes evident that management is renegeing on the commitment they made to protect the interests of the “Purple” pilots in the proposed seniority integration. Without knowledge of the FAB and contrary to their stated intentions, management has constructed a merger list that will result in minimal training costs to the Company. It is important to note that the seniority arbitration was a **tripartite arbitration**, in which FedEx was an equal party to both the FedEx and Tiger pilot groups. This created a clear conflict of interest for FedEx management. They chose the least costly course of action. However, if the FedEx pilots had their own union, then seniority integration would be a contractual issue between the two unions.

The “No” group is formed and a “yellow sheet” with the printed names of FedEx pilots pledging loyalty to Fred Smith is stuffed into crew mailboxes. A concurrent anti-union campaign by management hits the crew room. Mr. Smith asks the “Purple” pilots to “give us a year” to address the pilot issues that have stirred interest in unionizing.

Most of the pilots still wanted to believe in him and the PSP philosophy. As a result, the independent movement is defeated. Shortly thereafter, the National Mediation Board (NMB) mandates a vote to determine if ALPA should represent all FedEx pilots (Tigers pilots were already represented by ALPA). The vote is defeated and FedEx pilots remained non-union. Few of the original FedEx pilots vote for ALPA at this time, perhaps feeling that it was a "Tiger" thing. There were approximately 1,000 Flying Tigers pilots and 1,100 FedEx pilots at the time of the acquisition.

Two weeks prior to T-Day (T-Day, the effective date of operational merger between Federal Express and Flying Tigers, was on Aug. 7, 1989). F/O Sowers files a preemptive lawsuit in federal court to keep management from ignoring FCH I-96.

A "Bulletin" Committee is quickly convened on a Sunday afternoon. The committee consisted of management representatives and three additional "management" pilots, including the chairman of the FAB, Capt. Dave Sanders. This Bulletin Committee approved management's demand for a one-time exemption of I-96 for the purposes of the FTL acquisition. Other members of the FAB refused to attend the meeting, but later agreed to a subsequent Bulletin Committee under threat of the merger collapsing.

F/O Sowers files an additional suit over the illegal Bulletin Committee.

1+30 showtime for international trips and for duty purposes is arbitrarily reduced to 1+00 by the Bulletin Committee. This reduced the show duty time to what it had been in the Flying Tigers system. Some pilots had complained about leaving hotels "early." This is an example of where the pilots working together collectively are less likely to give away work rules even when a few shortsighted individuals are requesting a change.

The Benefits Department proposes to completely revamp the FedEx retirement plan. The pilots discovered the plan just before a presentation was to be made to Mr. Smith, and they literally crashed the meeting. During that meeting Steve Priddy presents to Mr. Smith the supposition that the pilots' pension plan was better than most in the industry, implying that reductions could be made with no adverse effect. Don Engebretsen, Al Smith, and John Poag crash this meeting and point out that Steve Priddy's assumptions are flawed in many ways but that the primary flaw is not giving credit for the "B" plans associated with other carriers' pension programs. The three are still unable to prevent the hits to the pension plan. The Retirement Plan is "improved" from 40 percent to 50 percent, but other retirement provisions are reduced or eliminated altogether. COLA (Cost of Living Adjustment), an inflationary adjustment of up to 5 percent per year for retired personnel, is removed from the retirement plan over objections from the FAB. After all the "improvements" and reductions are considered, the result is a wash at current inflation levels but leaves retired pilots at the mercy of future inflation. The genesis of another plan to organize the pilots comes from these unilateral actions by management. However, before this plan could fully germinate, the Tigers merger occurs delaying further action by the pilots.

In succeeding appearances before the court in the Sowers case, management claims that it has unilateral authority to modify the FCH. The court rules that it does not. However, it also rules that Sowers would have had to quit and go elsewhere in order to be eligible for damages.

The attorney retained by the FedEx's pilots' Seniority Negotiating Team (at the Company's expense) advises against an agreement to go to arbitration and states privately that FedEx pilots would be better protected if unionized. FedEx management threatens to cut off funds to the FedEx Pilots' Committee and their attorney. Being unwilling to fund their own legal counsel, FedEx pilots submit to seniority arbitration.

New chairman of the FAB (Capt. Bruce Cheever) agrees to a series of Bulletin **demands** by management while many pilot issues go unresolved. Captain Cheever later reappeared as a management negotiator, negotiating for management as we attempted to achieve our first contract.

Narrowbody/widebody common pay scales are unilaterally **imposed** by management.

Management **abrogates** a pre-merger promise to not mix FedEx/FTL flying prior to seniority integration.

Block hours are extended to nine (9+00) hours and fourteen (14+00) duty time on South American flights only. This allows flights to be scheduled from Manaus-Buenos Aires-Campinas-Rio in one day, cutting an entire day from the schedule. Like the change to the international duty show time, this was also initiated by a small group of pilots seeking to protect their Rio layovers even at the expense of their fellow pilots. Obviously this would probably never have happened if a union had been present.

ESOP contributions are also suspended. Medical deductibles are raised. This is contrary to management's "give us a year" campaign.

**1990** A seniority list is imposed by an arbitrator, which closely resembles a seniority list compiled earlier by management.

1990-1992, FedEx pilots protest arbitrated list in Federal Express-Flying Tiger seniority integration. Approximately 600 FedEx pilots sign petitions in attempts to mitigate damages.

Management begins an attack on the vacation policy. Management's position is that the "vacation policy is killing us." One pilot requests cost data analysis of vacation policy and received letter from COO with the statement: "There will be no negotiation on this matter. This is no **quid pro quo.**"

The Anchorage domicile opened. Moving expense allowances and conditions **imposed** by management.

S/Os Mark Estabrook and Wayne Koide publish the first "Stick Shaker." This was the first organized newsletter for the FedEx pilots. It provided relevant topics such as contracts, pay, and retirement for other airlines and another ALPA organizing drive begins. Management threatens that if ALPA comes on the property they will have to lay off 200 pilots. The August 1991 representation election results in an ALPA loss by a 1 percent margin. Organizing Committee appeals to the National Mediation Board (NMB), charging management with illegal interference. After almost a one-year appeal process,

	<p>the NMB concurs with the Organizing Committee and orders a re-run election.</p> <p>Management unilaterally <b>eliminates</b> the Employee Stock Purchase Plan. This program allowed employees to build equity in their own company by purchasing stock at a 15 percent discount without any brokerage fees.</p> <p>In comparison to flight schedules of a decade earlier, FedEx pilots are, in many cases, now working 15 days in a short month and 18 days in a long month. Many bid lines have only minimum days off. Credit hours remain the same as 10 years earlier due to shift from MPDP pay to Rig pay (soft time is becoming hard time).</p> <p>Management <b>ignores</b> FCH pay formula. FedEx pilots' pay continues to drop, now well below 75 percent of industry average according to management's own surveys.</p>
1991	<p>Desert Storm operation begins and crewmembers are activated to Reserve and National Guard units. FedEx is the <u>only</u> major carrier to terminate all benefits (medical, dental, insurance, etc.) for its activated personnel and their families. Benefits are reinstated only if participant pays monthly fees.</p>
1992	<p>In October, the court-ordered re-run election is held. Ballot consists of ALPA and an independent union, United States Pilot Association (USPA); <b>1,015</b> pilots vote for ALPA, <b>271</b> vote for USPA, <b>106</b> pilots vote "No," and <b>887</b> pilots do not return ballots and therefore are counted as votes opposed to any collective bargaining representative ("NO" votes). A clear majority of pilots vote "for" collective bargaining. ALPA receives a majority of the pro-representation votes and, in accordance with NMB voting regulations, is declared the collective bargaining agent for the FedEx pilots, with <b>56.4 percent</b> of the pilots voting <b>FOR</b> collective bargaining (1,286 out of 2,279 pilots).</p> <p>Management appeals the election results. The NMB denies the appeal and validates the representational election results.</p> <p>Beginning in 1992 and extending to 1994, various FedEx pilots begin researching FedEx-Flying Tigers seniority list integration activities, as well as collecting merger documents and interviewing prospective law firms around the country.</p>
1993	<p>The "NO" Group (FEPNO) sues the NMB to set aside ALPA certification.</p> <p>Immediately prior to NMB certification of ALPA, the FAB Bulletin Committee again <b>concedes</b> to management demands for redefining "interlining," a practice previously limited to hub mis-sorted packages carried on aircraft of other airlines. This new bulletin authorizes the use of wet-leased, large aircraft in FedEx operations - a far cry from the original intent of interlining. Previous management promise of "<i>Purple Freight, Purple Airplanes, Purple Pilots</i>" fades forever.</p> <p>A letter by Jim Perkins, senior vice president/chief personnel officer (CPO) at FedEx, states that effective June 1, 1993, future retiree medical benefits are capped at 150 percent of 1993 levels. Costs over this cap will be passed on. This limit could be</p>

exceeded within three years with its obvious ramifications.

In June, NMB certifies ALPA as the legal bargaining representative for **all** FedEx pilots. It has been over three years from the start of the last ALPA organizing campaign in 1991 to the final ALPA certification in June 1993. The ALPA membership drive results in **68 percent** of FedEx pilots joining ALPA.

Management files a lawsuit claiming the unilateral right to change terms and conditions of pilot employment while a contract with the pilots is in the negotiating stages. U.S. District Court dismisses management's lawsuit. Management appeals to the U. S. Court of Appeals of the District of Columbia.

**1994** U.S. District Court of Columbia dismisses FEPNO lawsuit. FEPNO appeals.

FedEx is the **only** carrier to **oppose** legislation designed to clarify that the Railway Labor Act (RLA) covers U.S. pilots employed by a U.S. certified carrier while conducting flying activities solely beyond U.S. borders (i.e., "extraterritorial" flying operations).

In May, F/Os Gary Lovan and Mark Estabrook hire Memphis-based Hardison Law Firm to file individual and class action breach of contract suits against FedEx in Chancery Court in Shelby County, Tenn., arising from 1989 FedEx-Flying Tigers seniority list integration.

On May 19, ALPA begins contract negotiations. The ALPA Negotiating Chairman offers to accept the FCH (Flight Crew Handbook) as a first contract with minor changes, such as an A/B reserve system and minimal wage increases. Management refuses. This is the first indication to the pilots that management has **no** intention of signing **any** contract.

After years of undermanning, management begins a massive pilot hiring program. They hire approximately 1,500 pilots over the next two years. Many of the new-hire pilots are ex-military and unfamiliar with unions and the airline industry. They are inundated with anti-ALPA propaganda from management and the NO group. Even though ALPA's membership numbers increase slightly, this massive hiring program has the effect of watering down ALPA's total membership percentage.

First A300 series aircraft arrive in May.

Management tries to block ALPA pilots from attending a NASA briefing on the pending release of the all-cargo sleep study. NASA provides a separate private briefing for FedEx ALPA representatives.

From fall of this year to the spring of 1995, more than 140 additional pilots join lawsuits against Federal Express regarding seniority integration.

From this year into 1995, Chancellor Neil Small denies certifying the class action portion of complaint in *Lovan, et al., v. Federal Express*.

**1995** Management claims Subic Bay pilots are outside the class and craft of domestic pilots and that these pilots are not subject to ALPA representation or protection under the Railway Labor Act. This would allow management to unilaterally impose all of their working conditions. ALPA sues the Company in federal court in order to force management to recognize Subic pilots' right to be legally represented by ALPA.

In April there was a "grass roots" no overtime push. Many pilots chose to not fly any volunteer or draft during this period.

In July ALPA enters sequestered negotiations with the Company, considered by many to be the "last best shot" at an agreement before resorting to self-help. The talks conclude with no progress.

In August, a group of pilots begin presenting the Fedex Pilots Association as an alternative to ALPA, claiming that the FPA would be able to negotiate a contract within six months for a total cost to the pilots of \$50,000. Many pro-union pilots began to feel that an independent union was the only viable option to pull the now deeply fractured group together.

FPA begins collecting cards to force another representational vote. As a direct result, the ALPA contract negotiations currently underway are directly undermined. Management sees a divided crew force and stonewalls.

ALPA leaders ask the FPA to do what is best for the FedEx pilot group as a whole. Even if they cannot support ALPA, they should at least support the current contract negotiations. Then once a contract is signed, the FPA is still free to petition the NMB for a new representational election. If they win, they will inherit the contract and avoid the added expense of negotiations on top of the startup costs of a new union. FPA leadership refuses.

F/O Mark Estabrook begins a Freedom of Information Act (FOIA) request of NASA for the unreleased sleep study.

FedEx pilots are released from NMB mediation on October 29 for a 30-day cooling-off period as a result of extensive political pressure exerted on the NMB by ALPA National. ALPA proffers binding arbitration, which management rejects.

The 30-day cooling-off period ends at midnight, November 29, and FedEx pilots enter "self-help" on November 30. This "self-help" status is later inherited by the FPA as the FedEx pilot group remains in "self-help" status from November 30, 1995, through December 1998, when the FPA BOD declares negotiations concluded.

All volunteer and draft (VLT/DFT) flying (overtime) is declared "struck work" by FedEx ALPA MEC resolution after November 29, 1995. Management "takes hostages" in an attempt to intimidate the pilots. ALPA engages in efforts to reinstate them.

It is important to note that VLT/DFT flying is integral to FedEx operations at the time and makes up enough of the monthly flying that simply abstaining would provide significant leverage to bring management back to the table and provide a reasonable contract offer. However, many pilots choose to accept management requests to fly VLT

at 150 percent. When management still has manning problems, the ante is upped to 200 percent. Unfortunately, many pilots avail themselves of this offer. This **one-time only** event, whereby significant leverage could be exerted with **no risk** to the pilots, passes into history.

In December 1995, the ALPA Negotiating Committee and the Strategic Preparedness Committee develop a plan to relieve the pressure on our membership and MEC from the large number of pilots flying overtime. The plan is to get management to agree to a contract regardless of the contents of that contract. The goal is to let management show the pilots what they think the pilots are worth and then let the pilots decide if they want to accept this or fight for what they think is a "reasonable" contract. The plan is accepted by the MEC and ALPA negotiators tell the NMB that they will accept management's last offer. This stuns the management negotiators who have no comprehensive "last offer" to show the NMB, since up to now they have only engaged in surface negotiations. They eventually warm to the plan and began to originate ideas about what they want. During this process the ALPA Negotiating Committee makes more gains than they have made in the past three years. It is the first time that management is truly engaged in completing a finished product. It takes management five more months to put their "last offer" in written form.

The FAA announces a Notice of Proposed Rule Making (NPRM) on Flight and Duty Time regulations.

NASA releases edited version of FedEx sleep study in December, and this sleep study is missing from the body of scientific literature that the FAA cites as relevant science for the construction of new regulations in the NPRM.

**1996** Management continues to stonewall meaningful negotiations by attempting to put their "last offer" in writing. ALPA negotiators' input into the TA is limited to "review and comment." When the TA is completed, the Negotiating Committee presents it to the MEC, anticipating that the MEC will put the document out to the pilots for a vote just as they had originally agreed. However, the MEC refuses to submit the TA to the pilots without recommending its demise. That would be acceptable except that the MEC demands that the Negotiating Committee not suggest in their road show the opposing point of view that the pilots should accept the agreement and prepare for the next contract in four years, June 2000. This conflict results in the MEC firing the Negotiating Committee and presenting their own road show, telling the pilots to turn down the TA and offering no opposing viewpoint. The tentative agreement is finally sent to the pilots for ratification in June 1996. Both the Negotiating Committee and the SPC advise the MEC that rejection of the contract with no clear plan for obtaining improvement will lead to losing ALPA representation.

In July 1996, the pilots overwhelmingly reject the contract with no plan from their MEC leadership on how to obtain a better contract from management.

A suit is filed against NASA in Federal District Court in Memphis to force compliance with the FOIA request for the unedited sleep study and related correspondence. UPS pilots fund the lawsuit. The judge forces NASA to settle and release the requested documents.

1996-1999, Chancellor Small initially grants summary judgment to Federal Express in seniority integration court case, then reverses himself. Federal Express appeals Small's decision to Appellate and State Supreme Court. Small's decision stands. Date is set for trial.

On October 29, Fedex Pilots Association (FPA) is certified as the collective bargaining representative for FedEx pilots and embraces an "Interest-Based Bargaining" approach toward negotiations.

**1997** Membership stands at 75 percent.

A survey is conducted of the membership for contract negotiations.

During the summer FedEx closes the Newark, Oakland, and Los Angeles domiciles, moving those pilots to Memphis.

Capt. Paul Cassel is elected as FPA Negotiating Committee chairman and contract negotiations open in July. Communications from Union negotiators are quite sparse.

On July 30, FedEx flight 14, an MD-11 from Anchorage, crashes at the Newark Airport. All personnel on board successfully escape. FPA mobilizes a response team to assist the pilots and passengers aboard the aircraft. Captain Bob Freeman and First Officer Don Goodin are immediately praised for their efforts to get their jumpseaters out of a burning airplane.

UPS goes on strike. Freight levels at FedEx skyrocket. FPA supports the UPS pilots by soliciting contributions for the IPA Family Awareness Relief Fund.

In September FedEx buys Caliber Systems, a large trucking operation, and restructures FedEx as a holding company and subsidiaries. The scope implications of such a restructuring are of great concern to the crew force.

During the fall negotiations proceed, with scope being a definitive sticking point. Management wants a contract allowing it to continue to do anything it wants to do in regards to scope.

In November, an LOA recognizing Subic Bay pilots under the Railway Labor Act is sent to the membership for ratification.

In late November there is word that the "Interest-Based Bargaining" methods that have been being used by the Negotiating Committee are approaching completion.

A tentative agreement (TA) is announced to the press in December.

**1998** **January:** Membership is 82 percent.

TA is released by management and the FPA in the form of "bullets and highlights."

Highlights do not reflect the desires of the pilots as found in the pre-negotiation survey.

The FPA Board of Directors is briefed on the TA by Captain Paul Cassel. The board is not given the actual language of the tentative agreement to evaluate on their own. They decide that this is the best agreement they can achieve. The Board votes unanimously to send the TA to the pilot group for ratification.

**February:** Road shows begin to promote the TA, but without the full text of the contract being available to members. Many members feel the briefs are biased and fail to present a balanced view of the TA. This angers some in the pilot group. When the text of the TA is finally released, a “box stuffing” campaign begins by the rank-and-file to defeat the TA.

**March:** Membership begins a decline.

On March 10, the tentative agreement is voted down with 56 percent voting against the TA.

On March 15 FPA publishes a survey requesting the top five reasons as to why the TA was rejected. The areas most cited in the initial group of surveys are work rules and quality-of-life issues.

On March 24, a Memphis domicile meeting is held at the Memphis Marriott that is open to all FedEx pilots. During the five-hour meeting the FPA Board is bombarded with questions regarding the TA and how it came to be sent to the pilots with its inadequacies.

New committees are formed within FPA to address some of the inadequacies during the previous negotiations. The FPA Board forms a Scope Committee and an Election Committee. A Communications Committee is also formed to improve the communications with the crew force.

Recall petitions for Negotiations Chairman Capt. Cassel and then FPA President Capt. Mike Akin are circulated by some pilots. On March 25, Capt. Cassel resigns from the Negotiating Committee, but he remains as Secretary-Treasurer. Capt. Akin survives the recall petition.

**May:** The FPA website is launched. With electronic communication via e-mail and web pages, the crew force begins to receive up-to-date information on a routine basis.

On May 21, Capt. George Sees is elected as the new Negotiating Committee Chairman. Membership goes up.

The Vice President of FedEx Flight Operations makes a unilateral decision to initiate the “optimizer,” a computerized scheduling program. The June bid lines are published and the pilots are appalled by the pairings and lines in the bid packs. Furthermore,

the vast majority of pilots realize what kind of blow it would have been to have this optimizer forced upon them in conjunction with the substandard tentative agreement that had just been narrowly voted down.

**June:** The pilots revolt because of the unreasonable schedules created by the optimizer. The implementation of the optimizer by FedEx management proves to be the catalyst for strong unity among all the pilots despite their varying views on unionism. Membership has been stagnant at 72 percent since the defeat of the TA, but dramatically begins to increase.

A straw poll is conducted by the FPA. The results show more than 86 percent of the pilots were ready to strike if necessary to improve the situation and only 5 percent respond that they would not consider a strike at all.

The FPA Board of Directors approves a \$25 per month dues repayment plan in an effort to bring as many pilots as possible on board with the Union. Coupled with the optimizer, this helps membership climb dramatically.

**July:** Negotiations Chairman Capt. George Sees asks the FPA Board for direct communications with the crew force. While FPA President Capt. Mike Akin opposes this action, the FPA board sides with Capt. Sees. Captain Akin announces his resignation on July 14. The current Vice President, Capt. Frank Fato, assumes the presidency and Capt. Byron Cobb is appointed vice president. Membership continues to go up.

During the next few months, communications from the Negotiating Committee paint a realistic picture of management's reticence to negotiate. Membership continues to grow.

**August:** On August 13 membership reaches the 3,000 mark. Membership is 87 percent.

In late August FPA reports that there is a conceptual agreement that FDX, the parent holding company, will be a signatory on the scope section of the contract. This recognition of the importance of our jobs to FedEx is later pulled off the table.

The FPA Strategic Preparedness Committee finalizes leases for office space and equipment for its Strike Operations Center.

The FPA Board of Directors unanimously passes a resolution stating that in the event of hostage taking by FedEx, all hostages must be returned to work before a contract would be signed.

**September:** Membership stands at 88 percent.

On September 17, membership reaches the 90 percent mark. FPA BOD sends out

ballots for membership approval of “No Draft/No Volunteer” flying. Management informs FPA that if this vote is taken that they will unilaterally discontinue the LOAs between the Company and the Union that are in effect. The realization that management is willing to abrogate mutually negotiated LOAs hits many pilots quite hard.

Negotiations take a decidedly troubling turn. When big-money issues are discussed no agreement can be reached. FPA calls on all pilots to attend a rally at the Botanic Garden in Memphis to show their unity.

More than 800 pilots show up at a domicile meeting at the Botanic Garden in Memphis, as well as many pilots showing up in Subic and Anchorage to watch live video streaming of the event. Guest speaker Marty Levitt tells the story of coming to FedEx in the early 1970s and being told that FedEx will **never** be unionized. Levitt’s book *Confessions of a Union Buster*, and over 25 years of experience, are his résumé when he warns that FedEx will do whatever it takes to attempt to break the Union. He says that management’s main tool will be to divide and conquer and our main weapon to fight it should be **UNITY**.

**October:** As of October 2, membership stands at 93 percent.

Management's offers during negotiations begin to regress. Captain George Sees describes it as "if last week they handed us the TA plus a nickel, this week they handed us the TA minus a nickel."

The FPA Board unanimously votes to discontinue the efforts of pilot volunteers who are providing help to Company planners and schedulers to improve the bid lines. The board feels that FPA should not be giving credence to the destructive and unsafe scheduling practices of management through participation.

On October 9, two FPA Board members are named in a lawsuit filed by a member of management regarding statements made at the September 27 Memphis domicile meeting.

A custom report, solicited and paid for by FedEx, is generated by aviation industry salary “expert” Kit Darby. The report is sent to every pilot and is a gross exaggeration of what pilots earn at FedEx. It is also sent to numerous media outlets.

On October 18, the FPA BOD votes to send out “Strike Authorization Ballots” for membership ratification. This action is not a vote to strike but rather membership approval of the BOD’s right to call for a strike when and if they see fit. The following day FedEx breaks off negotiations. They soon reengage.

October 20, membership passes the 95 percent mark. FPA is flooded with phone calls concerning a contract proposal sent directly to pilots’ homes by management. The company begins an all-out push trying to directly negotiate with the pilots. The pilots don't swallow the bait.

The No Draft/No Volunteer ballot passes with a vote of 93 percent.

FedEx unilaterally reneges on LOAs concerning disciplinary action and blocks the ability of committee members of FPA to be removed from trips. FedEx pilots respond by PDO bumping committee members so they can do their work.

In an attempt to prevent pilots from knowing who is calling through caller ID, Crew Scheduling begins routing calls through Bolivar, Tennessee.

**November:** As of November 2, membership is 98 percent.

Threats and rumors are floated regarding furloughs and downsizing at FedEx.

FPA sends representatives to Washington to meet with the NMB. Distribution of strike ballots is delayed until November 9, in an effort to restart negotiations.

Management cancels all training so as to provide them with pilots to supplement their reserve manning.

On November 9, the FPA BOD adopts an official policy that no FedEx pilot willingly accept volunteer/draft assignments until further notice. Strike authorization ballots are mailed November 9. The “No DRF/No VLT” effort is highly successful.

On November 12 the FPA Board of Directors agrees to send management's October 30 proposal, with enhancements, to the FPA membership. In what has become a familiar FedEx negotiating ploy, FedEx demands additional terms before it is sent out. The terms are completely unacceptable to FPA and the proposal is not sent out.

On November 13, the FPA proffers binding arbitration, which management rejects.

FPA begins informational picketing in Los Angeles, New York and Atlanta. Media interest skyrockets. Investor interest is piqued as well.

On November 17, Fred Smith sends his “**Red Letter**” entitled “**With or Without You**” to the pilots. Mr. Smith’s letter achieves the desired effect on some of the FPA leadership.

Also, in an attempt to scare the pilots, CEO Ted Weise threatens to convert FedEx from an air express to a ground transportation company. This threat is met with much fanfare from organized labor and Teamsters, who would love FedEx to fall under the NLRA instead of the RLA for union organizing purposes.

On November 18 a rally of non-pilot FedEx employees takes place in Memphis, and has a very lackluster showing, even with employees being allowed to leave work for it, provided transportation to it, and being given T-shirts for the event. Some employees show signs in support of the pilot group.

Also on November 18, a bogus Negotiations Update is stuffed into lockers at the Memphis hub.

November 19

- Early in the day on November 19, ALPA issues a press release making available ALPA's considerable resources and expertise to help the FedEx pilots achieve a contract. Many independent unions offer support as well.
- The FPA Board of Directors convenes and issues guidelines to the FPA President to seek further negotiation with the Company through the National Mediation Board. Late in the afternoon, the FPA Board of Directors adjourns.
- The leadership in general had not adequately prepared a foundation on which to sustain a job action. Although the majority of the membership had indicated their willingness to strike, there were serious questions as to how effectively a strike could be mounted. This perception, right or wrong, causes the leadership to seek a way out of the impasse.
- Later that day the FPA President is contacted by the Company and attempts to inform and coordinate efforts through the Board of Directors, but is unable to do so because they are no longer in session. The FPA President winds up striking an agreement with the Company that is later referred to as "The Parking Lot Deal."
- By virtue of poor coordination and inadequate preparation for such eventualities, individuals are left at the 11th hour between a rock and a hard place. Adjourning the BOD meeting on the afternoon of November 19, at such a critical juncture, was counter to common practice and was a major factor in the disjointed efforts that night. That, and an FPA executive branch that had not adequately worked with the BOD and the SPC in the preceding months were major shortcomings of the FPA at the time. Also, the officers had allowed themselves to be separated from the BOD and membership by clever management manipulations and threats. Hard lessons were learned by all as a result.

On November 24 it is announced that George Sees would voluntarily resign as negotiating chairman, after it is suggested that the Company and the NMB (National Mediation Board) view him as an impediment to constructive negotiations. F/O Bryan Davies becomes Negotiating Chairman.

**December:** During the month of December membership begins a decline.

On December 1, negotiations resume in earnest. Company negotiators seek contract give-backs to recoup "enormous" amounts of money that FedEx supposedly lost in contingency leases entered into in response to the strike vote.

Hundreds of pilots begin asking FedEx for summaries of their flying hours so that they can apply at other airlines. This action is noted with great concern by management. It is believed by many that these pilots taking this action individually, without any coordination from the Union, is one of the major factors that generated the limited improvements in our first contract.

On December 17, the FPA BOD determines that negotiations have concluded.

On December 22, the FPA BOD votes 15 to 3 to send the TA to the pilots for ratification.

**1999 January:** Copies of the tentative agreement are sent out and road shows begin to explain the details the tentative agreement to the pilots. Management has insisted upon a five-year contract. They also want to delay the implementation date until May 31, 1999. This results in a five-and-a-half year contract and an additional five months before the pilots will see any economic benefit from the contract. It has now been seven long years from the certification of the first pilot union at FedEx to the implementation of the first pilot contract

**February:** On February 4 the membership votes to accept the TA. Many pilots remained unhappy with the compromises they have been forced to accept; however, this contract brought stability to the pilots' lives and brought significant improvements in retirement, reserve duty, and nighttime flying limits. The membership ratifies the first pilot contract at FedEx with 87 percent of the voting pilots casting ballots in favor of it.

With the contract by behind them, FPA's new officers begin recruiting new committee members and chairmen. They also begin soliciting volunteers for a Constitutional Amendment Committee to improve the FPA Constitution and Bylaws. The experience of the last 12 months has revealed great weakness in the current Constitution and Bylaws.

**March:** On March 10, the Constitutional Amendment Committee is tasked with identifying and recommending remedies for these shortcomings.

Near the end of March, a rider narrowly misses being attached to a bill in Congress allowing all crewmembers to be covered under the RLA when performing duties outside the United States, except for "Express Company" crewmembers.

**April:** Recognizing the need for a financially stronger union, it is announced that a consideration will begin to increase the dues paid by FPA members.

**May:** On May 21, there is a contract signing ceremony and reception. Fred Smith does not attend the contract signing. On May 31, the FPA contract is implemented.

**June:** With implementation of the contract, FPA provides a duty officer available 24 hours a day during the first few weeks of the contract to assist pilots.

On June 16 the Board approves a Constitutional amendment to be sent to the membership for ratification to change the dues structure. The percentage rate is raised to 1.3 percent.

**July:** On July 28, FPA membership approves a dues percentage of 1.3 percent.

**August:** The FPA Board of Directors passes two Constitutional amendments to send to the membership for ratification. The first would reduce the number of representatives to a more manageable size. The second is passed to change the Constitution so that pilots not voting are not considered “No” votes, removing the inappropriate influence of ballots that are not returned.

FDX purchases Geologistics Air Services Inc., a freight forwarding operation in the Caribbean. FPA works to clarify the situation and ensure that FedEx freight is being flown by FedEx pilots. The position taken by FDX, the holding company, is that it has no bearing on the operations at FedEx Express.

**September:** A China Air MD-11 crashes in Hong Kong in circumstances strangely similar to the accident in Newark involving a FedEx MD-11. A “Sunshine Hearing” for flight 14 is postponed indefinitely while any connection between the two incidents is investigated.

The Military Affairs Committee is established by the Board of Directors.

**October:** FPA membership ratifies the Constitutional amendments reducing the size of the Board of Directors and eliminating the “No” vote effect of ballots that are not returned in elections.

On October 17, an MD-11 overruns the runway in Subic Bay and ends up in the water. Both crewmembers escape. FPA mobilizes personnel to respond to the accident.

FedEx's quarterly report states, “Salaries and employee benefits increased only 4 percent in the first quarter as higher costs in connection with the agreement with the Fedex Pilots Association were offset by improved productivity and lower provisions for variable compensation.” This could also be read as FedEx received a cost-neutral contract.

**November:** On November 12, FPA takes the initiative of hosting the first ever Cargo Pilot Symposium at the Grand Casino and Hotel in Tunica. It is attended by 20 different cargo airlines and presentations are made by a senior NTSB member, Congressman Jim Oberstar, and Congressman Harold Ford, Jr.

FPA meets with flight management in an attempt to address some of the safety shortfalls that are becoming evident through repeated incidents. The meetings are cordial but produce no concrete results.

**December:** During 1999 the first 10 plaintiffs from *Lovan, et al.*, and *Mairose, et al.*, v. *Federal Express* begin a six-week jury trial under newly elected Chancellor Walter Evans. The jury returns the verdict in favor of the pilots. The jury awards damages ranging from \$231,192 to \$501,417, with interest to be determined later. Evans ignores the jury decision and grants the Company's motion for a directed verdict in their favor, notwithstanding the jury verdict.

**2000 January:** Plaintiffs in *Lovan, et al.*, and *Mairose, et al., v. Federal Express*, prepare an appeal of Chancellor Evans' action.

**February:** Flight management begins requesting statements from crewmembers regarding the performance of others in the cockpit. This is in response to safety problems at FedEx. FPA strongly urges members to coordinate with the FPA Grievance Committee before submitting any statements.

FPA begins the process of amending the Constitution and Bylaws to allow for discipline of members operating in a manner derogatory to the Association, as well as amending many other portions of the Constitution.

FPA dispatches a CIRP team to assist Emery pilots' families after an Emery DC-8 crashes on takeoff in Sacramento.

FPA conducts a research survey of all pilots regarding their desires on affiliation with a national union.

**March:** FPA speaks with the FAA in relation to the MD-10/MD-11 commonality and the safety issues relating to a single type rating for the two aircraft.

**April:** As a result of the February survey on national affiliation, FPA establishes a Representational Research Committee tasked to investigate affiliation with all major unions, the possibility of an all cargo union, and reviewing the potential of remaining independent with an affiliation with the Coalition of Airline Pilots Associations (CAPA).

Management begins demanding the removal of "FPA or Eat Alone" tags from pilot's bags.

Management employees direct the removal of the nonmembers list from all FPA bulletin boards. They also threaten disciplinary action against anyone reposting the nonmembers list on these bulletin boards. FPA reposts the nonmembers list and it is again taken down. FPA files a grievance regarding this intrusion into its communication with its members, as FPA regards the intrusion into its communication procedures as illegal self-help under the Railway Labor Act.

**May:** In early May the FAA allows a single type rating for the MD-10 and the MD-11.

Members are recruited for the Representational Research Committee.

**June:** Members of FPA ratify sweeping changes in the Constitution. The changes are approved by an average of 95 percent of the voting pilots.

A bill is introduced in the Congress to raise the pilot retirement age from 60 to 65. FPA launches a campaign encouraging members to help defeat this bill.

During the summer of 2001, the Retirement and Insurance Committee investigates the viability of spinning off the pilots' defined contribution plans.

**July:** The NTSB issues determinations and recommendations concerning the July 31, 1997, accident involving flight 14 in Newark. The NTSB places the probable cause of the accident upon the pilot. However, all 10 recommendations that followed the probable cause determination were directed at training deficiencies and the correction of landing characteristics unique to the MD-11.

**September:** The Company notifies FPA that it is considering increasing deductibles and other payments in a number of pilot healthcare options. FPA contends that the contract prevents this without negotiation.

A survey is conducted regarding the creation of an FPA Major Contingency Fund. This fund is a proactive savings fund for future grievances, accident investigations and self-help needs. Ballots for the FPA Major Contingency Fund are mailed out after the survey indicates an overwhelming support for the Major Contingency Fund.

The Retirement and Insurance Committee sends its Defined Contribution Spinoff proposal to the membership, requesting input and comments.

**October:** The FPA informs its pilots of many different incidents of pilot pushing regarding the 8-in-24-hour rest provision of the FARs.

FPA and management reach an agreement settling a grievance concerning hotel standbys added as extra duty periods. FPA thanks the membership for their help in settling this grievance, which was hurried along by the filing of many disruption reports and pay logs.

The FPA Board of Directors unanimously approves a resolution to implement the Defined Contribution Spinoff, subject to ratification by the members. The Retirement and Insurance Committee implements a communications campaign to inform members and address questions or concerns.

FPA seeks the assistance of the FAA in regards that management violation of the 8-in-24-hour rest provision.

The Representational Research Committee conducts a survey of pilots regarding national representation.

FedEx pilots overwhelmingly vote for an annual budget increase, as well as the establishment of a Major Contingency Fund.

**November:** Management fires Captain Bob Freeman. The FPA Board of Directors immediately allocates additional funds for the defense of Captain Freeman.

The official notification for the election of officers is mailed to all pilot members.

FPA files a grievance regarding the Company's improper decision to raise healthcare costs contrary to the procedures set forth in the Collective Bargaining Agreement.

The Representational Research Committee asks the help of the Negotiating Committee in researching details of possible agreements with national unions.

FedEx management attempts to deny access by the President and Negotiating Committee Chairman to a disciplinary arbitration hearing. The arbitrator overrules the Company's request indicating that the hearing was open to FPA members for attendance.

Management attempts to call in pilots for "focus group lunches." The members who were asked to attend requested instead that their FPA Block Representative be allowed to attend for them. This request is denied.

**2001 January:** The Defined Contribution Spinoff ballot passes by a wide margin.

FedEx agrees to two, seven-year agreements with the U.S. Postal Service with an expected revenue of \$7.2 billion. Fedex management requests that the FPA engage in a letter of agreement regarding the FedEx/Post Office contract.

The LOA proffered by FedEx management is characterized by management to the pilots as the Company being able to schedule pilots for two extra days per month at draft pay. The true effect of the language in the LOA would be to give the Company the ability to increase max TAFB and max days of work by two days. This has the potential of adding five or six extra days of flying, at straight time, hidden in the language of the LOA before the triggers for the payment of draft flying are even approached.

FPA presents an MOU to FedEx management as a counter to their LOA proffer. It takes into account hundreds of members' e-mailed inputs.

Management withdraws the Company's LOA. The Negotiating Committee is not surprised, but disappointed, in this recalcitrant attitude. The truth begins to sink in that management never intended to negotiate at all.

**February:** New officers are elected.

A captain is reinstated by an arbitrator, after having been fired for declining to take a FedEx jumpseat during a typhoon in the Philippines.

In an effort to cover their short-term staffing problems associated with the Post Office contract, management invites the Negotiating Committee Chairman to a late afternoon meeting at a local restaurant. Accompanying him at the meeting were the FPA President and Vice President. The Union leadership summarily rejected an informally

suggested 200 percent overtime flying offer, standing firm on their position that any proposal sent to the membership must address long-term systemic deficiencies in our Collective Bargaining Agreement.

FedEx posts on its pilot website a call for brown bag lunches hosted by Vice President Don Barber. The pilots reject this attempt at direct dealing with the membership.

**March:** FedEx management begins offering voluntary vacation cancellations in many aircraft seats for the April bid month.

A bill is introduced in Congress to raise the retirement age from 60 to 65. FPA coordinates its legislative strategy with ALPA and APA in opposing the bill.

FedEx informs the FPA that vacation cancellations are anticipated for the month of April and the following six months due to staffing needs for the Post Office contract. It also stated that additional wet leasing would be likely.

**April:** The Representational Research Committee publishes its report. A referendum is mailed out with the report for the membership to determine whether or not to enter negotiations for a potential merger with a national affiliate, and as a vehicle through which the membership was able to indicate those issues most important to them in the event of that merger.

The FPA Board of Directors asks the Wilson Center to commence another poll of 400 FedEx pilots on the issue of national affiliation.

**May:** The referendum on affiliation is counted. Over 82 percent of the pilots vote for national affiliation, and of those, 84 percent wanted the BOD to pursue a merger agreement with ALPA.

The FPA Board of Directors directs the President to commence a process of due diligence with ALPA, the purpose of which is to allow the exchange of appropriate information and documents pertinent to a potential merger between FPA and ALPA. The Board of Directors also directs the FPA Negotiating Committee to commence negotiations with ALPA for the purpose of developing a merger document between FPA and ALPA, subject to approval by the FPA Board of Directors and ratification under the FPA Constitution and Bylaws.

The FPA Board of Directors details plans that it would like to follow in the structure of the representation under ALPA, maintaining the block structure found at FPA.

The FPA Board of Directors makes clear that good standing in membership with FPA will be the sole test for membership in good standing with ALPA.

A resolution is passed on May 24 by ALPA's Executive Board to change ALPA's Constitution and Bylaws to allow Status Representatives and also allow the formation of an instructor block at the LEC level.

**June:** The FPA President attends a meeting of ALPA's Northwest MEC. He lobbies for the constitutional change required to ALPA's Constitution, to allow for the seniority-based representational structure which would resemble that of FPA.

In late June the Negotiating Committee exchanges openers with ALPA for the merger. While references are made about how the Continental merger was done, our negotiators maintain their positions because "We're not Continental." Our negotiators make clear that there are things that have to happen to make the merger happen, delineated by the FPA BOD, and if they can't happen then the deal is not possible.

**July:** FPA files a grievance with FedEx concerning the SIG LOA. The grievance is based on the fact that the Company is not using the SIG parameters to ensure proper pairing construction. This completely bypasses the protections afforded pilots by the SIG parameters set forth in Appendix A of the LOA, some of the few protections actually afforded by the contract.

Negotiations with ALPA for the merger continue, with the Negotiating Committee working to ensure Group A status for the pilots of FedEx with on ALPA Executive Council, with the associated representation by an Executive Vice President.

On July 26, the FAA issues an interpretation letter clarifying captain's authority on admission to the flight deck. It states unequivocally that the pilot-in-command is the final authority on admission to the cockpit. In the FAA's letter, the long-standing misinterpretation by FedEx that the Company had the authority to place jumpseaters in the cockpit is firmly quashed.

FedEx and Delta began lobbying representatives on Capitol Hill for a change to the Federal Aviation Act which would give the Secretary of Transportation the power to declare a "transportation emergency" if labor issues under the RLA were not going well. The proposed power would give the Secretary authority to force both sides into binding arbitration. The lobbying effort spearheading the push for the proposed changes in regulations is carried out through Communities for Economic Strength through Aviation (CESTA), a lobbying group created by the airline industry.

**August:** Many pilots make inquiries to FPA regarding FPA's position on allowing non-flight personnel into jumpseats in the cockpit. FPA states unequivocally that it has no business making any recommendations. The authority is given to captains, not the FPA, and that the FPA has no business directing the actions of the captains any more than management does.

Senator John McCain, Senator Trent Lott and Senator Conrad Burns introduce a bill to change the process for resolving airline labor disputes. It is modeled on the process used by Major League Baseball. Under the bill, if the Secretary of Transportation ordered binding arbitration then each side would make its last, best offer. A panel of five arbitrators would be chosen and then the panel would choose either one proposal or the other, it could not intermix the proposals. According to the law, however, the choice could not create any "financial injury" to the corporation involved or lead to increased costs. Skewed language like this would eliminate the need for management

to negotiate in good faith. Over the next few months ALPA lobbies strongly against the bill and it never moves forward.

An agreement is reached concerning captains used as RFOs. This settlement allows a reasonable means of utilizing captains as RFOs on a limited basis. This is due to the unique circumstances imposed by the postal agreement. The Company agrees to discontinue the use of captains as RFOs no later than the April 2002 bid month.

**September:** On September 11, terrorists attack the United States using passenger aircraft as weapons. All commercial air operations within the United States cease. Cockpit jumpseats are restricted to FedEx pilots who are positioning to operate a revenue flight. Walk-up jumpseating is eliminated.

September 13: FPA and flight management meet to discuss interim solutions for jumpseating. Interline jumpseating is discontinued until further notice.

The FAA bans mail from being carried on commercial passenger flights. The move shifts a tremendous amount of cargo to FedEx. For the next few years, FedEx is one of the few airlines making a profit.

September 14: FedEx, over the very strong opposition of FPA leadership, begins flying their international system well before any other U.S. airline. After conversations with Union leadership, flight management agrees not to discipline any pilots who did not fly their international flights because they felt their safety was not assured.

September 16: The Secretary of Transportation assigns a security task force in which ALPA is the only pilot organization. Captain Duane Woerth of ALPA asks FPA to participate in developing cargo-specific security proposals.

September 18: Congress begins to consider a bill to assist the airlines financially so that they can weather the crisis brought on by 9/11.

September 19: The FAA prohibits interline jumpseating.

September 24: After FPA files a grievance, FedEx reinstates pilot jumpseating. Pilots' jumpseating rights, which are delineated in the contract, were being abrogated without due cause.

September 27: The FAA confirms FPA's contention that FedEx has been in violation of the 8-in-24 rule. The Company states that the violation is only a technical violation and that they will demand that the pilots continue to fly the pairings that violate this rule. Because individual pilots, not the Company, are responsible for adherence to the FARs, pilots are forced into contentious disagreements with Company representatives regarding rest rules.

**October:** The Senate passes aviation legislation allowing the arming of pilots. A last-minute amendment by Senator Murkowski of Alaska to raise the retirement age from 60 to 63 is narrowly defeated before the bill is voted on.

The jumpseating of animal handlers becomes a concern. Many of these handlers carry hypodermic syringes with narcotics and other implements. FedEx corporate security is not able to fill management's commitment to have security personnel accompany animal handlers.

Several breaches in security occur. These include ramp workers without IDs and unescorted horse handlers who had not even been screened prior to boarding the aircraft.

FPA surveys its members as to their desires on carrying lethal weapons in the cockpit.

FPA and ALPA resume negotiations over their merger.

All major airlines in America, with the exception of Southwest and FedEx, begin major furloughs of pilots and other flight-related personnel.

**November:** Anthrax attacks through the mail cause great concern with FedEx employees. FPA makes numerous recommendations to FedEx management which are mostly ignored.

FPA President appears on CNN discussing FPA's recommendations to FedEx regarding the anthrax threat. The Commercial Appeal runs his story quoting Fedex public relations personnel and breaking the story that approximately 30 FedEx employees have possibly been exposed to anthrax.

American Airlines flight 587, an Airbus A300 series aircraft, crashes in New York. In the ensuing investigation it appears that the tail of the aircraft snapped off, causing the aircraft crash. FedEx is eventually required to inspect all Airbus aircraft.

**December:** The FPA Negotiating Committee reaches a tentative agreement with ALPA for a merger of FPA with ALPA. The tentative agreement includes FedEx being a Group A member with an Executive Vice President representative on ALPA's Executive Board.

On December 11 the FPA Board of Directors approves the tentative agreement for merger with ALPA. Two days later, ALPA's Executive Board meets and approves the tentative agreement as well. The merger document is sent out to the membership for review.

**2002 January:** Domicile meetings are held to allow members to discuss the tentative merger agreement with ALPA. ALPA President Captain Duane Woerth attends the meeting in Memphis giving a speech and answering questions. Also attending was the Continental MEC Chairman, who remarks that the parallels between the FedEx pilots' union experiences and Continental's are quite enlightening. Captain Woerth and the FPA President acknowledge the past mistakes of ALPA, knowing that honesty is absolutely necessary in proceeding forward as a pilot group.

It is discovered that in late December 2001, two shipments of iridium 192 were sent through the FedEx system together. At the final destination, it was discovered that the container was emitting hazardous levels of radiation. The crewmembers dosimeters were found to be well within allowable limits. The incident highlighted, in a dramatic fashion, the reason that flying hazardous materials around in the middle of the night deserves the highest compensation and a level of safety at least equal to that of the passenger airlines.

It is discovered in mid-January that the radioactive package involved in the iridium 192 incident sat for a few days in a bonding area. This holding area was next to a door that crewmembers used to enter and exit the New Orleans ramp facility. New concerns arose about the possible exposure of crewmembers and others working in the facility.

**February:** More domicile meetings are held in relation to the FPA - ALPA merger. Attendance continues to be substantial, and the membership appears to be coalescing in their opinions.

On February 15 the ballots for merger with ALPA are mailed.

FedEx files with the FAA for an exemption to the 8-in-24 rule. FPA Board members and officers go to Washington to lobby the FAA not to accept this attempt by FedEx to exempt themselves from the safety inherent in the scheduling rules.

**March:** FPA receives reports from pilots of management violating the 8-in-24 rule. This causes even more confusion over the rule and results in several cases of obvious pilot-pushing. FPA responds to pilots requesting that any incident involving violation of the 8-in-24 rule be completely documented, including a written directive from any management pilot or duty officer instructing a pilot to do something that violates this rule.

The Critical Incident Response Program (CIRP) is implemented at FedEx under a joint letter signed by FPA and management. The program is designed to provide assistance and support to crewmembers and their families when traumatic circumstances arise.

FPA representatives meet with management representatives to discuss jumpseat access issues. It is stressed in this meeting that PIC authority is sacred, established by the FARs and inviolate.

**April:** FPA officials proffer to the Company a nine-point plan to address the security situation regarding jumpseaters on our aircraft. It is a comprehensive plan regarding PIC authority and security. It is basically ignored by the Company.

On April 1, the ballots on the tentative merger agreement with ALPA are counted. With 95 percent of the eligible members voting in the election, 90.5% percent of the ballots are cast in favor of the merger. With a landslide victory, the merger is approved.

Pilot-pushing over the 8-in-24 rule continues to be a problem. Company software is not capable of fully conforming to FARs.

**May:** On May 7, FedEx management informs FPA that they intend to resume domestic business jumpseating in June. This is announced without addressing security concerns that FPA has in regard to jumpseating.

On May 13, FPA receives the arbitration results for Captain Bob Freeman. In spite of thousands of man-hours of work and hundreds of thousands of dollars invested, Captain Freeman's termination is upheld.

On May 21, ALPA's Executive Board of votes unanimously to approve the FPA-ALPA merger agreement reestablishing the Fedex Master Executive Council. The merger of FPA and ALPA becomes effective on June 1, 2002.

Fedex management distributes an FCIF intimating that they have the ability and right to assign personnel to the cockpit jumpseats on FedEx airplanes. FPA communicates with them in the strongest fashion that this is a false impression, and that only with the permission of the captain can someone be assigned a cockpit jumpseat.

Pilot-pushing over the 8-in-24 rule continues to be a problem.

**June:** On June 1, the Fedex Pilots Association officially merges with ALPA, and becomes the ALPA Fedex Master Executive Council.

The Defined Contribution Plan Changes LOA is passed with an overwhelming majority.

Legislation is passed requiring a criminal background check for pilots that looks back 10 years. FedEx management puts out an FCIF stating that our company was going to look back as far as they possibly could, even to "world entry, like birth." Amazingly, after 30 years of going out of their way to wiggle around laws and regulations that are pesky to them, FedEx chooses an opportunity to over-comply with the law. ALPA immediately responds, fighting this unnecessary intrusion into the past of pilots.

Every pilot receives a \$70 check for scope penalties on the Company's part. This is the first such penalty under the contract. Many pilots send their scope checks to Captain Freeman.

**July:** ALPA is once again forced to remind pilots about the 8-in-24 rule due to the Company's inability to consistently comply with the FARs.

On July 11, after months of debate, the U.S. House of Representatives passes a bill allowing voluntary arming of pilots in cockpits. The bill is then sent to the Senate.

ALPA holds talks with management over the application of background checks under the National Security Act. After the meetings management agrees to remain within the confines of the Act. These talks also establish a system of review that would address

what would happen if a pilot had one of the 28 outlined occurrences that are spelled out in the Act in their background. It is agreed between the Company and ALPA that this information will be codified in an LOA.

ALPA files a grievance over healthcare because numerous specialists are dropping out of our healthcare plan. As one physician explains it "I can't afford to keep the doors open when they pay me \$.35 on the dollar. I make more with Tenn Care."

On July 26 FedEx flight 1478 crashes on approach to Tallahassee. All three pilots survive. The Union responds sending accident investigation personnel as well as the Critical Incident Response team.

**August:** The LOA that was supposed to be codified between the Company and ALPA concerning background checks is put on hold. This is because the Company wishes to add additional stipulations before signing on to an LOA. This "pyramid" type of negotiations, where one party seeks to rewrite an agreement after negotiations have concluded, is nothing new. ALPA refuses to do business in this manner.

On August 15 management unilaterally reinstates business jumpseating without any agreement between the pilots and management on PIC authority and security. The Company unilaterally institutes the use of a Security Supernumerary Assistant. The procedures the Company publish are in conflict with pilot-in-command (PIC) authority under the FARs regarding access to the cockpit. The procedures require pilots to allow SSAs in their cockpits, and that employees without background checks and without 121.547 qualifications are to be allowed to be an SSA.

Throughout the latter half of August numerous communications go to the membership regarding PIC authority and access to the cockpit. The ALPA Fedex MEC goes to great pains not to tell pilots what to do with their authority. It would be inappropriate for the MEC to do so, the same as it is inappropriate for the Company to assume that they can.

On August 22 the MEC Chairman removes a jumpseater from a flight he is the captain on. He is called into the chief pilot's office, removed from the flight, and a replacement pilot called in. The replacement pilot refuses to take the jumpseater. The flight takes off without the jumpseater.

On August 23 ALPA files for a cease and desist order against FedEx with the FAA for their interference with PIC authority.

On August 26 in Portland, Oregon, a jumpseater somehow arrives at an aircraft without any security screening at all. ALPA's concerns over jumpseater screening and security are brought to the forefront. ALPA requests an investigation by the TSA.

Management begins a campaign against pilots who are bumping jumpseaters because of security concerns. Management demands that written reason be given for bumping jumpseaters, an action that is completely contrary to the FARs and the PIC authority letter of July 2002 from the FAA barring actions that chill the exercise of PIC authority. ALPA advises all pilots to remain professional, not submit any written

statements, and not to be drawn into a debate over bumping jumpseaters.

As August ends management continues to verbally threaten pilots about bumping jumpseaters, but management refuses to put anything in writing knowing that their actions would be interpreted as attempts to chill PIC authority.

**September:** Rumors are floated that FedEx will unilaterally cancel the jumpseat program. Not a single pilot receives a notice of discipline for bumping a jumpseater.

The Senate votes on September 5 to create a voluntary program allowing the arming of airline pilots. This vote is still part of a larger bill which must be reconciled in committee, and therefore does not immediately become law.

On September 11 ALPA joins the rest of the world in quiet remembrance on the one-year anniversary of the terrorist attacks in New York and Washington.

Senator Frank Murkowski of Alaska attaches a rider to a bill attempting to change the pilot retirement age to 63. ALPA begins a letter-writing campaign to defeat this recurring threat.

Management publishes an FOM change, including the SSA procedures which are contrary to FAA regulations regarding PIC authority. In spite of numerous communications between ALPA and management, management decides to attempt to legitimize its position on PIC authority simply by publishing something in the FOM. Management also continues to attempt to question pilots who bump jumpseaters.

**October:** After bumping a jumpseater, a captain is approached by a uniformed individual (who identified himself as a security official) at his aircraft and asked to fill out a form detailing his reasons. He appropriately refuses.

The MEC Chairman and ALPA President meet with U.S. Secretary of Transportation Norman Mineta discussing cargo issues.

On October 16 a woman rushes a construction gate at the Memphis Airport in her vehicle. She is apprehended on the FedEx ramp. There is no damage to aircraft or injuries to personnel.

On October 31 management puts out an FCIF that corrects some of the problems with their perception of PIC authority. Management's acknowledgement is hidden within a threat in the FCIF in an attempt to divert attention from the fact that they have given in to the Union's position on PIC authority regarding access to the cockpit.

**November:** Disregarding the FARs, the July 2001 FAA letter, and their own FCIFs, management continues pursuing a path of chilling PIC authority.

Management begins contacting captains for disallowing the carriage of business passengers. This is following an incident in which a captain refuses to assign an off-

duty pilot to be an SSA. The Union responds that SSAs have no defined job description or duty parameters, no training, and no indemnification for any actions taken and as an SSA.

On November 13 the House passes HR 5710, a bill establishing the Department of Homeland Security. A "slight" modification in the bill, made after considerable lobbying, is the insertion of the word "passenger" in front of the term "air transportation." This excludes cargo pilots from being armed. This action is strongly opposed by ALPA considering that cargo pilots have no passengers to help defend their aircraft. ALPA immediately begins political efforts to overturn the modification to bill HR 5710.

Management's PIC-authority-chilling efforts subside out as there is no justification for their inquiries into the deplaning of business passengers under the FARs.

The Homeland Security Bill passes the Senate, unfortunately including the language that exempts cargo pilots from participating in the voluntary program for arming pilots. ALPA's efforts were not enough to overcome the immediate political groundswell demanding passage of the overall Homeland Security Bill. ALPA begins to plan on how to correct this in future legislation.

Management employees begin e-mailing captains requesting their consent, in advance, for employee business jumpseaters to ride on their airplanes. This is ill-conceived, considering that the scheduled captain may not be the captain for the flight when it actually takes off. This could put the subsequent captain in an awkward position.

Management puts out an FCIF that supposedly indemnifies an SSA and defines the responsibilities of an SSA. This FCIF is put out over a holiday weekend and defines the actions of an SSA so narrowly that someone acting to defend an aircraft as an SSA would not necessarily be indemnified.

**December:** When asked to respond to FedEx CEO Fred Smith's comment that the threat of a cargo plane being used as a weapon was very low, the Chairman of American Airlines, Don Carty, says "You've got to be kidding."

Questions arise about the background checks done for nonpilots who have access to our aircraft. Management does not disclose what level of background check is performed, which is of great concern because the check is done within the time it takes a person to perform the jumpseat test.

United Airlines declares bankruptcy on December 9.

**2003 January:** Reports in the Washington Post indicate that the airline industry is lobbying Senator John McCain to reintroduce legislation that was the foundation for changing the RLA rules to mandate arbitration, therefore eliminating a pilot's right to effective collective bargaining. The lobbying efforts to get this changed introduced are spearheaded by CESTA, Communities for Economic Strength through Aviation, the lobbying group put together by the airlines.

United Airlines pilots give back 29 percent of their wages and benefits in an effort to keep their airline alive. In spite of the 29 percent reduction in their wages, in a company that is being restructured in bankruptcy, United pilots continue to have higher MD-11-class pay than FedEx pilots.

A DC-10 captain, making a reasonable and logical decision, and in compliance with the FARs, removes a horse handler from his aircraft.

A week later the DC-10 captain receives notice that the Company intends to bring him before management for a discipline hearing.

Two days later management attempts to fire a pilot, without going through the process of the disciplinary procedures in the contract, for deplaning a horse handler. The contractual and FAR issues are immediately contested by ALPA in the strongest fashion.

The following day there is a hearing held for the first DC-10 captain who deplaned a horse handler. Approximately 50 pilots show up outside the offices being used to conduct the hearing in support of the captain.

On January 29 officials from ALPA meet with representatives of FedEx flight management and labor relations in an attempt to resolve the jumpseat and security situation. Language is produced on PIC authority, indemnification, and other jumpseat issues, and even on an agreement by ALPA to work jointly with FedEx and the FAA to clarify these issues. This language is largely in line with the Union's nine-point plan that had been presented to management almost a year earlier. Union representatives offered to jointly petition the FAA for definitive interpretation of FAR 121.543 and to support interim procedures to facilitate the carriage of horse handlers and State Department personnel. Union representatives also insist on the release of our pilots currently facing discipline. However, after the final recess management returns and states that there will be no agreement. The Message Line states "Management seems hell-bent on extracting a pound of flesh for our pursuit of safety, security and our recognition of regulatory PIC authority."

The chief pilot puts out an FCIF stating that an extra crewmember, or other security person, would be on all horse charters or courier flights to act as an SSA. This move is tacit recognition of the DC-10 captain's position.

**February:** ALPA safety representatives discover that FedEx is conducting polar operations that are not in compliance with the OpSpecs covering these operations. FedEx set up a meeting with the FAA to discuss this. While not informed by FedEx, ALPA was invited to attend the meeting by the FAA. Corrective steps were taken to bring FedEx operations back into compliance with our OpSpec.

With a war in Iraq looking to be a serious possibility, ALPA attempts to reinvigorate negotiations with management on an LOA for flying CRAF. The Union has been attempting to work with flight management to create a CRAF LOA for close to a year. The Company's response is lukewarm, at best.

On February 12 ALPA receives a copy of a letter from the FedEx FAA POI to management. It states that pilots will not be held in violation for following the FOM procedures published by FedEx. The letter is dated January 31, just two days after the Union/Management meeting at which management would not acknowledge the Union's nine-point plan.

On February 18 flight management fires the DC-10 captain for deplaning horse handlers. ALPA appeals the case.

Management issues an FCIF acknowledging PIC authority and indemnification. At the same time they issue three more notices of discipline. The only way to look at the concurrent release of the FCIF and additional discipline is that it is contradictory and counterproductive.

In an effort to alleviate the financial impact of the discipline on captains who were exercising their PIC authority, a survey is quickly taken of the membership to confirm the level of support for different ideas on how to assist these captains.

**March:** A second DC-10 captain is terminated for the good-faith exercising of his PIC authority. ALPA appeals his case.

The Company finally agrees with the Union to support a process for finding a solution to the PIC authority issue. It is announced that a representative of the FAA and a neutral mediator will meet with FedEx and the Union in the middle of March. ALPA reiterates that any solution would require the restoration of the jobs of any captains fired by FedEx for the exercise of their PIC authority.

Due to the work of ALPA and its backers, numerous newspapers report that a bill will be introduced into the Senate to correct the omission of cargo pilots in the FFDO program.

As war with Iraq appears imminent, the Union works to engage the Company on issues needed to create a CRAF LOA. Progress is made because of the persistence of the Military Affairs Committee.

On March 13, after the Vice President of Flight Operations upholds the termination of the first DC-10 captain over PIC authority, the Union institutes the voluntary financial aid program to help him during the arbitration process.

On March 14, ALPA and management come to agreement on a CRAF LOA. The LOA provides for additional insurance for pilots involved in CRAF and a pay premium on trips that involve a CRAF leg. Over the next month the membership votes on the LOA.

ALPA and FedEx representatives meet with the FAA in Washington with the mediator. Discussions continue through the end of the month.

The Department of Labor, at the behest of the White House, proposes changes to the LM-2 reporting requirements under which unions provide financial disclosures to the Department. The changes proposed would expand ALPA's report from approximately

200 pages to a document standing 14 feet tall.

On March 27 management announces the firing of a third DC-10 captain. ALPA is once again forced to defend a captain for using his PIC authority.

**April:** A large scale SARS outbreak begins in Asia. ALPA representatives work with representatives from the Centers for Disease Control and the World Health Organization to inform pilots on how to avoid this disease.

The second DC-10 captain's termination is upheld by the Vice President of Flight Ops and ALPA begins voluntary financial support during his arbitration process.

The CRAF LOA is ratified with 75 percent of the pilots voting for it.

As the SARS outbreak continues, the World Health Organization announces limits on travel to numerous cities. FedEx discontinues layovers in many cities and reworks pairings.

**May:** On May 9 the Senate votes to pass a bill to strengthen air cargo security. In the bill is a provision returning cargo pilots to participation in the FFDO program.

The FedEx safety office is found to have telephone messages offering prompts for connection to the Aviation Safety Action Program (ASAP) and the Flight Operations Quality Assurance (FOQA) Program. Both of these programs, under the charter the FAA, require an agreement between the Union and the Company on their implementation. At the time none exists. Pilots are warned that inputs to these message boxes could put the pilot in direct jeopardy of FAA enforcement or Company disciplinary action.

On May 15 local television stations report that there are two possible SARS cases in the Memphis area. Over the next few days these are found to be cases of other infections.

On May 16 the ALPA Fedex MEC elects its officers. Captain David Webb is re-elected Chairman, Captain Wally Huggins is re-elected Vice Chairman, and Captain Chris Baker is elected Secretary-Treasurer.

ALPA's Government Affairs and Legal Departments are able to convince the U.S. House Aviation Subcommittee to improve a technical correction that provides due process for Airline pilots. The correction fixes a rule instituted months before by the TSA allowing the FAA to revoke the license of any airline employee deemed a security risk. The new language provides for a third-party review of the alleged risk factors.

Senator James Inhofe introduces legislation aimed at repealing the age 60 rule and increasing the mandatory pilot retirement age to 66. ALPA mobilizes its pilots in a letter-writing campaign to defeat the amendment.

**June:** On June 3 representatives of the Fedex MEC sign an agreement resolving security issues with regards to the jumpseat program at FedEx. The agreement also reinstates the three terminated captains. The agreement implements almost all of the nine-point plan proffered to resolve the security issues in April of 2002.

The pilots of FedEx, having voluntarily contributed approximately \$177,000 make the three captains involved in the PIC authority fight whole. This is one of the very few times in airline history that this has happened.

On June 13 the Inhofe amendment to the FAA reauthorization bill to increase the mandatory retirement age for pilots is defeated by a vote of 52 to 44 in the Senate.

On June 21 Captain James Almlie and First Officer Mark Abbott are honored by the Order of Daedalians with the Lieutenant General Harold L. George Civilian Airmanship Award for safely landing their MD-11 in June of 2002. A failure on their aircraft caused the left inboard flap to become detached, severing hydraulic lines and jamming the left wing spoilers in the up position. Working together the crew was able to recover the MD-11 to a safe landing.

On June 28 the MEC unanimously passes a resolution institutionalizing membership ratification of any LOA or contract. They did this because of their strong belief that the membership should have a final voice in the ratification of documents that affect their lives so profoundly.

It is found that many managers at airlines are protecting themselves financially as they watch their airlines flounder. CESTA, Communities for Economic Strength through Aviation, a lobbying group created by the airline industry, gives up on its campaign to rewrite the RLA.

**July:** Management attempts to use threats about the funding of the SIG/PSIT to wrestle the Union into talks on a preferential bidding system. There is no formal discussion of a preferential bidding system with management at all. In fact, the Union responds in a Message Line "your union representatives will not give management another stick to beat us with."

A negotiations survey of the pilots is sent out, accompanied by a comprehensive contract comparison, so that the pilots of FedEx can respond with their concerns and desires for the upcoming contract in 2004.

The World Health Organization declares the SARS outbreak contained.

The first big rumor regarding negotiations is floated. It states that the Union leadership is considering a pay raise for an extension of the current contract. It is totally false.

A bipartisan group of lawmakers introduces legislation, supported by ALPA, that would protect passenger airline workers' pension plans. Cargo airlines are left out of the legislation, at ALPA's request, because there are no cargo airlines requiring this relief.

**August:** On August 13 the Gibby Greenway Memorial Library is dedicated. About 140 relatives of the library's honorees were on hand with about 50 uniformed pilots. FedEx Chairman Fred Smith attended as well. It was a rare event where everyone involved came together to honor those that we have known.

On August 21 Captain James Almlie and first Officer Mark Abbott are honored with Superior Airmanship Awards at ALPA's annual Air Safety Forum in Washington, DC. They are honored for safely landing their MD-11 in June of 2002 after experiencing a structural failure on final approach into Subic Bay.

ALPA Fedex MEC officers begin to host town hall meetings in order to discuss negotiations concerns and other issues on a person-to-person basis.

**September:** On September 11 ALPA joins its members in remembering the events and the sacrifices of September 11, 2001.

Unfortunately, and ironically, on September 11, 2003, ALPA is forced to ask all members to fight the insertion of a cabotage provision in the FAA Reauthorization Bill, in an attempt to protect US pilots' jobs.

The ALPA Fedex MEC begins to educate the members as to the strength of FedEx's latest earnings. Put simply, they are fantastic.

The ALPA Fedex MEC moves to new offices at 1770 Kirby Parkway, Suite 300. The move is a vast improvement operationally because of the layout of the offices as well as the improvement in rental rates.

The ALPA Fedex MEC Negotiating Committee begins talks with management in an effort to establish a procedural agreement on negotiations. While this is not negotiations, it is working out an agreement on how negotiations should be conducted.

**October:** The Negotiating Committee meets with all committee chairs to get input on the development of opening proposals for the next contract.

MEC Representatives, officers, and committee chairs attend a two-day negotiations training seminar. The purpose of the seminar was to bring all involved personnel into the loop on the mechanics and nuances of the negotiating process, and how each person fits into it.

Alaska Senator Ted Stevens inserts a cabotage provision into the FAA Reauthorization Bill. There are no hearings and no opportunity for opposing party debate on this very important issue. On the October 31 the U.S. House of Representatives passes the bill. ALPA begins an all-out push to eliminate the amendment in the Senate.

**November:** In another case of disproportionate discipline, management fires a captain for denying a pilot a jumpseat.

The FAA Reauthorization Bill is delayed in the Senate by delaying a vote for cloture, a vote that would end debate. Unfortunately, the public debate over the privatization of FAA airport functions overshadows the cabotage issue most important to ALPA members.

Captain Jim Almlie and First Officer Mark Abbott are presented the 2003 Flight Safety Foundation Professionalism Award. The award which honors acts of valor performed in the line of duty is in recognition of their efforts to save their MD-11 aircraft in June 2002.

On November 11 the Senate approves a measure allowing cargo pilots to participate in the FFDO program.

On November 17 the Senate conducts a vote for cloture on the FAA Reauthorization Bill. It fails to garner the 60 votes necessary to pass, extending the debate on this bill.

The Bush administration launches an all-out effort to torpedo ALPA's efforts to protect defined benefit pension plans. The Grassley-Bachus Bill would provide relief for companies that have underfunded pension plans, allowing them to spread out their contribution liability so that the pension plans would remain viable.

ALPA files a complaint against the United States Postal Service alleging that the Postal Service's refusal to provide ALPA with a complete text of the 2001 Retail and Transportation Agreements made with FedEx is unlawful. This is a step under the Freedom of Information Act and is a continuation of the process started in March 2001 by the Fedex Pilots Association.

On November 24 the Senate passes the FAA Reauthorization Bill with Senator Ted Stevens' cargo cabotage amendment unfortunately intact. This is a big defeat for ALPA, but one that was insurmountable in a situation where a Senator was able to attach a provision to a \$60 billion must-pass piece of spending legislation.

**December:** The Vice President of Flight Operations upholds the termination of a captain for removing a pilot jumpseater. ALPA begins pursuing the case through arbitration and establishes a voluntary contribution program to assist the captain. The ALPA Fedex MEC also votes to establish guidelines and provisions for a Fedex Pilot Emergency Relief Fund.

On December 9, Company and Union representatives successfully complete a protocol agreement to govern the upcoming negotiations. It is a very positive step, as well as being precedent-setting. The agreement includes a negotiations schedule, confidentiality agreements, and an agreement for joint costing of proposals.

On December 18, an MD-10 crashes in Memphis. ALPA legal staff and Critical Incident Response Program representatives mobilize to assist the crew and jumpseaters, all of whom make it safely out of the aircraft.

On the December 30 the ALPA Fedex MEC establishes a task force to create a Fedex Pilots Emergency Relief Fund modeled after funds existing at many other ALPA

carriers. A survey of FedEx pilots is done to determine the manner in which the majority of the pilots would prefer to have the fund initially funded.

**2004 January:** On January 9 and 11, FedEx pilots March in picket lines in support of Mesaba pilots who are working to reach a tentative agreement with their management. Mesaba reaches a tentative agreement after a short extension of their strike deadline.

The ALPA Fedex MEC passes a resolution establishing council bypass for members who wish to be in a council different from the one that their domicile affiliation would normally dictate.

FedEx Duty Officers continue to have misunderstandings about the 8-in-24 rules. Crews are told, after already having exceeded 8 hours in a 24-hour period, that they should continue to the next destination. The Union is able to intercede on behalf of the crews and they are replaced.

Pension relief legislation passes the Senate on January 29. The legislation then goes to committee to work out the differences between the House and Senate versions.

**February:** A stowaway incident occurs on a DHL Aero Expresso 727. The stowaways were discovered at the Miami airport on a flat metal pallet covered by a tarp. This report highlights the need for every cargo aircraft have an intrusion resistant cockpit door.

**March:** On March 3 the Negotiating Committee meets with FedEx management to exchange openers in contract negotiations. Both documents are published on the Union website.

On March 7 approximately 400 pilots and their families attend an openers kick-off rally at the Park Vista Hotel in Memphis. MEC Chairman Captain David Webb, Negotiating Committee Chairman Captain Bob Chimenti, and Wilson Center founder Phil Comstock address an enthusiastic crowd.

A vote begins on whether the membership prefers a 12-month assessment or voluntary program to initially fund the Fedex Pilots Emergency Relief Fund.

FedEx puts out another stellar earnings report on March 18. FedEx earns more per share than had been forecast by any analyst, and the report includes the cost of the retirement and severance programs at FedEx Express.

The Negotiating Committee meets with management negotiators during the week of the 22nd. The week is mostly filled with extensive questioning of the Negotiating Committee by FedEx negotiators about ALPA's openers.

**April:** The congressional committee working on legislation that would provide pension relief to passenger network airlines finalizes the bill and sends it to the House and

Senate. ALPA begins a campaign with its members to contact congressmen and senators in support of our fellow union pilots.

The Negotiating Committee meets with management on April 13 to discuss the Scheduling Subcommittee and joint costing of contract proposals.

FedEx pilots vote overwhelmingly, with almost 75 percent of the vote in the affirmative, to use an assessment to provide the original operating capital for the Fedex Pilots Emergency Relief Fund.

On April 13 FedEx management notifies the Union of its intent to reinstate personal jumpseating effective June 1.

Due to the safety record at FedEx, a third-party safety audit is announced by the Company. The Union begins to select team members to be part of the safety audit, which will include in-flight observations. Enders Associates International is selected to perform the third-party safety audit.

The ALPA Fedex MEC is made aware that in the summer and fall of 2003, FedEx began extending invitations to the members of the National Mediation Board (NMB) for a meeting. ALPA's representation communicates with the NMB on behalf of the Fedex MEC and the NMB extends an invitation to meet with MEC officials. The meeting goes very well, with the NMB officials appearing genuinely interested in the concerns and interests of the ALPA representatives.

Late in the month of April the ALPA Fedex MEC Safety Task Force begins a survey of pilots in an effort to begin an independent initiative to improve the safety of FedEx flight operations.

**May:** Throughout the month of May the ALPA Fedex MEC strongly encourages the participation of all pilots in the Enders Associates International safety assessment. Recognizing the importance of the safety assessment to our pilots, and possibly to the viability of our company, the assessment is given a very high priority.

On May 19, an FCIF is released by the System Chief Pilot detailing the Enhanced Observation Program. The program is designed to allow the training department enhanced oversight of pilots who have had troubles in training. Much to the dismay of the Union, some of the events which would put a pilot in the program are highly inappropriate and unrelated to training, including the excessive use of sick leave.

On May 20, FedEx fires the two pilots who were operating the aircraft involved in a runway overrun in Manila on June 28, 1999. ALPA begins the process of appealing this action.

On May 25, management sends a letter to the Union which blatantly holds FedEx's participation in the Cockpit Access Security System (CASS) hostage to a smooth transition regarding the reinstatement of nonrevenue passengers on FedEx flights.

On May 27, representatives from the ALPA Fedex MEC meet with management to discuss the dissemination of the EAI safety assessment results and recommendations.

ALPA representatives stressed that the dissemination of the safety assessment results to our pilots is one of the key elements in maintaining credibility with them. It is also stressed that the operators the aircraft need to know these results to be able to effectively employ strategies to improve safety at FedEx.

In the same meeting ALPA representatives strongly expressed concern over the Enhanced Observation Program inclusion criteria. They impress upon management the Association's belief that there should be an absolute firewall between the training department and discipline. Management representatives appear receptive to the idea. The criteria are appropriately adjusted a few days later.

May 31 marks the amendable date of our contract. Despite nearly two years of ALPA's repeated efforts at engaging management in early negotiations, we arrive at the amendable date having barely started negotiations.

**June:** On June 1, stickers are sent out bearing the slogan "One More Day of Retro Pay." The stickers are sent so that pilots can show their dedication to the moral imperative of retroactive pay.

On June 7, American Airlines and UPS both begin their participation in the CASS system. Their participation allows each airlines' pilots to once again jumpseat in the cockpit of the other airline.

On June 8, the NTSB conducts a sunshine hearing on the crash of Flight 1478 at Tallahassee. The report determines that fatigue played a part in the accident, yet renders no recommendations whatsoever on mitigation of fatigue at FedEx. The report also fails to mention the strong possibility that the lenses of the PAPI system involved might have been contaminated at the time causing erroneous glide slope indications.

On June 10 it is announced that due to legal challenges by ALPA, airline pilots' licenses are no longer at risk of being taken away due simply to a suspicion of involvement in criminal activities. This legal victory restores due process for pilots who have not been convicted of any wrongdoing.

FedEx Corporation reports fiscal fourth quarter net income of \$412 million, 47 percent higher than net income for the same period the previous year. Growth in shipping volumes at all FedEx Corporation segments, including Fedex Express, fuel the improved earnings. Management announces that they expect earnings to continue to grow in fiscal year 2005.

**July:** It is announced in early July that the NTSB will be sponsoring a forum on the possible uses and benefits of video recording systems in the cockpit. ALPA simultaneously announces its intention to attend the forum to fight vigorously against an unnecessary and highly volatile intrusion into the cockpit. ALPA bases its objections on the opinions of numerous experts who contend that video cannot provide detailed, unambiguous information in the same way that expanding the ability of flight data recorders could.

On July 8, an arbitrator once again finds in favor of ALPA and a FedEx pilot in a case of excessive discipline. The Captain who had been fired in November of 2003 for

denying a jumpseat to a pilot, is reinstated.

On the same day, management upholds the terminations of the pilots involved in the Manila runway overrun.

*This bullet point history was compiled from various union documents and the memories of FedEx pilots who actually lived through these events. If anyone who reads this history finds what he or she believe to be discrepancies in dates or the sequence of events, they are encouraged to contact their ALPA FEDEX MEC with any supporting documentation. It is the ALPA FEDEX MEC's intent to maintain this record of our history as accurately as possible.*