

FEDERAL EXPRESS



Frederick W. Smith
Chairman and
Chief Executive Officer

November 16, 1992

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Memphis, TN 38132
901 380-3377
U.S. Mail Box 727
Memphis, TN 38184-1841

Second Officer Mark S. Estabrook
Interim Chairman
United States Pilot Association, Inc.
P. O. Box 503
Cordova, TN 38018-0503

Dear Second Officer Estabrook:

Thank you for your recent fax that I received this morning. Your assumption that I am no longer interested in the proposed debates is incorrect. As you'll see from my response to Captain Babbitt, I continue to believe that debates will be of value to our crewmembers before they make their final decision.

At your request, I have already withdrawn our proposal that the USPA and the ALPA waive potential objections. Now that the ALPA and its Organizing Committee have said they will not debate, I would suggest that we engage in two debates rather than the three proposed earlier -- one in November and one in December. Questioners now would be two pilots: a USPA supporter and a "NO" Committee supporter. Since we went to great specificity on the details of the logistics, I see no reason for us to meet. I do, however, need your response to the specifics proposed.

I look forward to receiving your suggested domicile for the debate and also some proposed dates and any concerns you might have. Once you have selected a domicile and sent me your proposed dates, I will select the other domicile, confirm the dates and inform you accordingly so that we can get the debates scheduled.

Sincerely,

A handwritten signature in cursive script that reads "Frederick W. Smith".

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P.S. To ensure that there is no misunderstanding, I have enclosed a new copy of our proposal which incorporates the changes indicated above and reflects that the ALPA/organizing committee will not participate.

Enclosure

PROPOSED DEBATE RULES:

We propose to hold two (2) debates during the election campaign in two cities that are Federal Express domiciles. USPA may select one city and Federal Express will select the second. Those cities to be selected from are:

- 1. Anchorage**
- 2. Los Angeles**
- 3. Memphis**
- 4. Newark**
- 5. Oakland**

We propose one debate in November and one in December, each to begin at a time agreed to by both parties once the domiciles have been selected.

We propose that the debates be open to all Federal Express crewmembers who voluntarily elect to attend.

We propose that the debates be conducted in a professional business manner and that no alcoholic beverages be served before or during the debates.

We propose no restrictions in the types of questions that can be asked by either side.

We propose that once the cities are selected, Federal Express, with the agreement of the USPA, will choose convenient hotel sites for the debates. Federal Express will be responsible for paying for the hotel meeting rooms and any other incidental expenses associated with the debates except travel for USPA officials (except S/O Estabrook and one questioner) or any other USPA-related expense.

We propose that the debates last no more than 1 1/2 hours during which Second Officer Estabrook will make a five-minute statement about why USPA is a better choice and Mr. Smith will make a five minute opening statement about why he believes P-S-P is a better choice.

We propose that following opening statements, Second Officer Estabrook and Mr. Smith answer questions posed to them by a member of the "NO" Committee and a member of the USPA Organizing Committee. Questions will be evenly distributed between Second Officer Estabrook and Mr. Smith. Federal Express will, of course, ensure the availability of the two questioners and Second Officer Estabrook by removing the pilots from trips and paying for their individual expenses.

We propose that the member of the USPA Organizing Committee and the member of the "NO" Committee each gather potential questions from their constituents to be asked of Second Officer Estabrook and Mr. Smith in advance of the debates to ensure that questioning is fair to each side.

We propose that Second Officer Estabrook and Mr. Smith be given two (2) minutes to answer any question asked and one (1) minute for rebuttal of any answer given by the other party. Subject to the approval of the USPA, Federal Express will provide a timekeeper to make sure that time limits are respected. Federal Express proposes Mr. Roy Golightly, Managing Director of Employee Communications.

We propose that Second Officer Estabrook and Mr. Smith each make a five minute closing summary.

We propose that the debates be videotaped with a final, unedited tape to be made available to the USPA and to each Federal Express crewmember. Distribution to Federal Express pilots will be paid for by Federal Express.