

AIR LINE PILOTS ASSOCIATION

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November 12, 1992

Frederick W. Smith
Chairman & Chief Executive Officer
Federal Express Corp.
2005 Corporate Avenue
Memphis, TN 38182

Dear Mr. Smith:

Thank you for your letter concerning the pending re-run representation election ordered by the National Mediation Board. I have discussed this issue with the members of the Federal Express Pilots Organizing Committee, who are responsible for the organizing effort at Federal Express. I am in complete agreement with all of their recommendations related to your proposal.

You have characterized this election as a choice between P-S-P and union representation; as you present it, pilots must choose between their company and a union. I have to disagree. There is no inconsistency between the philosophy of P-S-P and ALPA representation. Indeed, the many Federal Express pilots involved in the organizing process are committed to ensuring that Federal Express thrives as a vigorous, successful, and expanding premier airline.

I'll admit that the opportunity to debate you on the issues you've defined appears attractive at first glance, but the fact is that the issues you've defined are simply not the issues of this election. In fact, your inserting yourself in the campaign in an attempt to define the issues makes a mockery of the election process.

Contrary to your letter, the purpose of the election is for Federal Express pilots (and not Federal Express management) to decide the best means for representing their career interests within the company, and in pursuit of company goals. Pilots have waited for 14 months to reach the point where they might make that decision free of company interference. I am disappointed to discover that you evidently are unwilling to offer them that opportunity. I am concerned that your "invitation to debate" is no more than another attempt to insert yourself into the campaign — not only as an active participant, but as an overseer of the process. The NMB has previously criticized your personal involvement in the election process, expressing concern that it was "a reminder of the 'power and authority' " which you exercise.

I'm disturbed as well by the fact that you propose to suspend the legal process by calling for a waiver of objections to carrier interference during the proposed debates.

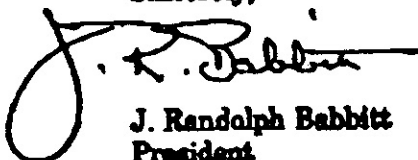
The rules against carrier interference are designed to protect the pilots' right of free choice. It seems to me that one would only find it necessary to suspend the rules if he intended to violate them by attempting, once again, to interfere with the pilots' decision-making process — and that is exactly the message your proposal sends. This proposal suggests an extraordinary disdain for the rights of the pilots, for a valid process overseen by the NMB, and for the Board's decision ordering a re-run election.

Unfortunately, other aspects of the debate proposal are equally disturbing: The suggestion for debates in December and January, after balloting has commenced, appears to be tailored both to delay the process and to discourage pilots from voting in a timely manner. In addition, your proposal misleadingly suggests that USPA — a belated effort with no cards and no record of participation — is entitled to the same status as an organization printed on the ballot, while it utterly ignores the Federal Express Pilots Organizing Committee, which has led the organizing effort during the past two years.

As much as I want to ensure a frank discussion of all pertinent issues related to the pilots' choice of representation, I find your active intrusion into this process troubling — particularly considering that the Board has only recently reprimanded Federal Express for its behavior during the last election, and clearly reaffirmed the principle that management's role in a representation election is limited. Just as troubling is the fact that you are trying to paint the election as a choice between company and ALPA. That was a not a valid picture when you painted it during the last election, and it is not valid now. The sole purpose of the election is for Federal Express pilots to decide the best means for representing their career interests within the company.

With these thoughts in mind, I regard your debate proposal as inappropriate to the point of contaminating the election process. In addition, I recommend that you communicate directly with the Federal Express Pilots Organizing Committee regarding any matter relating to the pilots' organizing activities.

Sincerely,



J. Randolph Babbitt
President

cc: Federal Express Pilots Organizing Committee
Federal Express Pilots