

February 24, 2010

Robert F. Gless
AA System Coordinator
Assistant ATD Director
Transport Workers Union of America
1791 Hurstview Drive
Hurst, TX 76054

Dear Robert,

During the course of the 2010 negotiations, several changes were agreed to relative Article 41 – Benefits. Below is a summary of those changes and the terms of the implementation. The contract language in Article 41 has been modified to reflect the more general changes and is subject to additional modifications as part of the final contract language construction process.

1. Create a joint committee to explore the formation of a Voluntary Employee Beneficiary Association (VEBA) Trust for Retiree Medical to be administered by the TWU.

Retiree Medical – Article 41.1

2. Current retirees

- No change to current plans

3. Current employees

- The Company will refund employee prefunding balances as soon after ratification as possible
- Employer prefunding contributions will cease date of signing

➤ Pre-65 Retiree Plan

- Monthly post funding retiree medical premiums will match the current 25% of retiree medical plan costs;
- Monthly post funding retiree medical premiums would commence for retirements on or after DOS (Subject to change due to timeline of implementation plan)
- Terms of Retiree Medical will be no less favorable than the retiree medical plan design, eligibility, and contributions offered to management

- Age 65 and over Retiree Plan
 - After age 65, a company sponsored, guaranteed issue, employee paid Medigap plan will be available in lieu of the current age 65 and over retiree medical plan
- 4. Employees Hired After Date of Signing
- Under Age 65 Retiree Plan
 - Employee pre-funding does not apply
 - Employees will have access only for retiree medical (no Company subsidy)
- Age 65 and Over (Eligible for Medicare coverage) Retiree Plan
 - Replaced by a Company sponsored, guaranteed issue, access only Medigap plan.

If you are in agreement with above, please indicate by signing below.

Sincerely,

Mark Burdette
Vice President
Employee Relations

Agreed to:

Robert F. Gless
AA System Coordinator
Assistant ATD Director
Transport Workers Union of America