

Thank you ...

for being patient as we search for answers. More importantly, thank you for keeping ABX Air going. We still have contracts to fulfill, and you are key in ensuring we keep those commitments.

Safety First

Please watch what you are doing, and watch your buddy. Help us keep everyone safe at work.

Updates?

We have begun posting updates on www.myabx.com/fyi. Updates are planned for at least every Thursday by noon, and more often when possible.

Hear from President John Graber each week by calling the INFOLine at (937) 366-4636 Thursdays by noon.

Got Questions?

Ask your management, Employee Relations, or e-mail our CEO Joe.Hete@abxair.com, our President John.Graber@abxair.com, or our VP of HR John.Starkovich@abxair.com.

Be compliant

The recent news doesn't change the fact that we need to follow procedures, be safe, and do the right thing. If you are aware of something that isn't being done right, or you witness a theft or illegal act by anyone on base, report it to management and/or call the We-Tip line at (800) 78-CRIME.

Need to talk?

An Employee Assistance Plan (EAP) is available to employees and their family members free of charge. Counselors are available 24/7 by calling (800) 888-2998. Additionally, an on-site counselor is available by appointment at the Healthcare Center. Just call (937) 283-9289 to make an appointment with Sally Benner.

Phase 1 (DC-9 reductions) Update

BACKGROUND INFO: DHL advised that Phase 1 of its plan calls for the reduction of lift requirements and the phasing out of 39 DC-9s from the ABX fleet in the DHL system over the next 12-18 months. Parking that many aircraft means we'll reduce our workforce by about 500 people – most of them pilots, aircraft technicians, and support personnel.

UPDATED INFO: We received the first indication of a schedule for the aircraft reductions late last week. DHL has advised of an aircraft schedule for third quarter which includes one 767 cancellation and 13 DC-9 cancellations between now and August.

Of these aircraft requirement reductions:

- ABX Air is evaluating re-deploying the 767 for another customer or route.
- For the DC-9s, eight are existing routes that will be cancelled, three are spares, and two are backups. DHL advised that they will release DC-9-30's first. ABX has 55 DC-9s in our fleet.

Now that we know part of the DHL schedule, we'll begin the work of planning personnel reductions. However, this planning cannot be completed until we see the entire DC-9 schedule, so this will take some time.

Phase 2 (DHL/UPS contract) Update

BACKGROUND INFO: In addition to parking DC-9s, DHL announced they are in negotiations with UPS to have UPS do all of its flying and express sort work. If the two companies sign a contract, DHL said it intends to transition all of our flying, all of ASTAR's flying, and our express sort operations to UPS by the end of 2009. The change would not start for some months, but if they come to terms, and nothing else changes, we would be forced to eliminate thousands of jobs over the next year and a half.

UPDATED INFO: DHL has indicated that ABX Air would maintain the day sort operations in Wilmington. DHL also told us they will continue the regional hub network. Over some period of time, we expect DHL to take over those hubs, but we don't know yet when that will happen. And, of course they will need many of our People in those operations.

Reminders/Recap

Though we know big changes are coming, we have some time to work through what this means to all of us. We're looking at everything we can do to make sure we take the best care of our People and our business in light of this new challenge. Please remember: nothing is going to change for several weeks, if not months.

ABX Air has worked for several years to expand our business beyond DHL supporting other customers. We have significant value in the marketplace. We do things no one else can do. Our Part 145 maintenance work, our back shop support, our Japanese flying, and our postal operations are examples of services that set us apart. In the coming months, we'll work to strengthen those areas of our business, and expand them if we can. We'll try to create as many jobs in those areas as possible.