December 26, 2002

Dear Fellow Employee:

Our benefits are important to all of us. As we begin to consider what changes need to be made to our benefit plan, we know that you want to be involved in that process. That means that you want to be kept informed, but it also means that you want input into the decisions *before* they are made. The attached benefits survey is your first opportunity to give us that important input.

The survey is long, but all of the questions are multiple choice, and it should take on average 20-25 minutes to complete. We are dealing with complex issues and there are numerous possible ways to address them. This survey introduces many options, some of which will be more acceptable to you than others. That is exactly why we are asking about your reactions to them. Tell us which ones you like, which ones you could live with, and which ones you could not live with. We will use this information to guide our plan design.

A few employees already have expressed some discomfort with not being able to get specific answers on what the new benefit plan will look like. That discomfort is normal when confronting the unknown. At this point, the plan design ***is* unknown**. We want to listen to you first, and get your opinions.

Some other employees have expressed doubt that we are sincere in our desire for your guidance. When we made changes to the 401(k) program last year we also surveyed participants and used their input to guide the plan design, with great results.

Take this survey home and give it the time and thought that it requires. Involve your family if they share in your benefits. We need the surveys returned no later than January 13. Send the completed survey to ILN 9-C, Benefits Survey 2061-B.
Thank you for your help and participation. Have a safe and Happy New Year.

Sincerely,

Gene Rhodes,
Corporate Director of Human Resources

ABX Air, Inc.
Employee Survey on Benefits

Please mark each answer with a #2 pencil or a black ink pen by filling the circle next to the answer.

CORRECT ●
INCORRECT ⊗ ✓ ⊟

Unless otherwise indicated, please provide only one answer on each question.
Please return the survey no later than January 13, 2003 to Benefits Survey ILN 9-C 2061-B
Thank you for your participation. Your input is important.

1. Do you or anyone in your family have a Primary Care Physician? (A primary care physician includes family doctors, internal medicine doctors, and pediatricians).

Self	O YES	O NO	
Spouse	O YES	O NO	O Not-married
Children	O YES	O NO	O No dependent children

2. How often does anyone in your family see a Primary Care Physician?

O At least once a month
O Every 2 months
O Every 3 to 6 months
O Every 6 to 12 months
O Once a year or less

3. Do you or a family member see a specialist on a regular basis?

O YES
O NO

4. What type of specialist do you or your family members regularly see? Check all that apply.

O OBGYN
O Cardiologist
O Gastroenterology
O Allergist
O Ear Nose & Throat
O Dermatologist
O Mental Health Counselor
O Orthopedic
O Chiropractor
O Pediatrics
O Other _____

5. How far do you drive to obtain health care from a Primary Care Physician?

O less than 5 miles
O 5-10 miles
O 11-20 miles
O 21-30 miles
O more than 30 miles

6. If you do not have a Primary Care Physician, where do you obtain medical care when needed?

O Urgent Care Center
O Hospital Emergency Room
O Have not needed medical care

7. Which Urgent Care Center do you use the most often? (Mark only one)

O CMH After-Hours (Wilmington)
O Hillsboro Urgent Care (Hillsboro)
O Mercy Health Center (Mason)
O Fayette County Urgent Care (Washington Court House)
O Centerville Emergency Clinic
O Doctors Urgent Care (Kettering)
O Liberty Urgent Care (Middletown)
O Bethesda Warren County (Lebanon)
O Other _____
O None

8. Which Hospital Emergency Room do you use the most often? (Mark only one)

O Clinton Memorial Hospital
O Highland District Hospital
O Fayette County Memorial Hospital
O Greene Memorial Hospital
O Bethesda North Hospital
O Children Medical Center (Dayton)
O Children Hospital (Cincinnati)
O Other _____
O None

9. When you are ill, how many days are usually between your call for an appointment and when the doctor can see you?

O Same day
O 1 day
O 2 days
O 3 days
O 4 days
O 5+ days

10. How long is your average wait at the doctor's office before you see the doctor?

O No wait
O less than 15 minutes
O 15 minutes
O 30 minutes
O 45 minutes
O 60 minutes
O more than 60 minutes

11. How long do you typically wait upon arrival at the urgent care center?

O no wait
O less than 15 minutes
O 15 minutes
O 30 minutes
O 45 minutes
O 60 minutes
O more than 60 minutes
O don't use urgent care

12. How long do you typically wait upon arrival at the hospital emergency room?

O No wait or less than 15 minutes
O 15-30 minutes
O 31-60 minutes
O 1-3 hours
O 4+ hours
O don't use the hospital emergency room

13. Have you ever used the United Health Care Nurseline (888) 609-5880?

O Yes
O No

14. If you answered yes to question 13, how helpful was this service?

O Very Helpful O Somewhat Helpful O Neutral O Somewhat Unhelpful O Very Unhelpful

15. If ABX offered an on-base health care clinic in Wilmington, how likely are you to use the clinic?

O Very Likely O Somewhat Likely O Don't Know O Somewhat Unlikely O Very Unlikely

16. Please rank the following benefits based on their importance to you. Write 1 next to the most important through 14 for the least important. Do not rank any two benefits at the same level of importance. Do not use any number twice.

____ Health Insurance
____ Dental Insurance
____ Vision Insurance
____ Company-paid Life Insurance
____ Employee Assistance Program
____ Retiree Medical Insurance
____ Long-term Disability Coverage
____ Short-term Disability Coverage
____ Accidental Death and Dismemberment Coverage
____ Business Travel Accident Insurance
____ Paid Holidays
____ Paid Sick Days
____ Paid Vacation
____ Tuition Reimbursement

17. Controlling our benefit costs will require some trade-off. Please rate how favorably you view the following:

	Very Favorable	***Favorable***	***Neutral***	***Unfavorable***	***Very Unfavorable***
Reducing coverage levels to keep the monthly cost the same.	O	O	O	O	O
Increasing the monthly cost to keep the coverage levels the same.	O	O	O	O	O
Trading some paid sick days to keep health insurance costs lower.	O	O	O	O	O
Trading some paid vacation days to keep health insurance costs lower.	O	O	O	O	O
Change the company-paid short-term disability benefit in order to keep health insurance costs lower.	O	O	O	O	O
Change the company-paid long-term disability benefit in order to keep health insurance costs lower.	O	O	O	O	O
Changing the company-paid life insurance benefit in order to keep health insurance costs lower.	O	O	O	O	O
Changing the number of sick occurrences allowed before resulting in discipline in order to keep health insurance costs lower.	O	O	O	O	O

	Very Favorable	*Favorable*	*Neutral*	*Unfavorable*	*Very Unfavorable*
Reducing or eliminating retirement health insurance before age 65 in order to keep health insurance costs lower.	O	O	O	O	O
The option to not carry vision or dental insurance in order to keep your benefits costs lower.	O	O	O	O	O

The current ABX employee monthly cost for family coverage under the Enhanced PPO plan is $90.00. The national average that employees pay for similar type coverage is $174.00.

18. What level of monthly employee contribution seems reasonable to you? (Please mark each question yes or no.)	**YES**	**NO**
$125	O	O
$150	O	O
$175	O	O
$200	O	O
$225	O	O
$250	O	O

19. Would you favor the following changes? Rank in order of importance to you from 1 (most important) to 8 (least important). Do not use the same number twice.

____ A pre-tax flexible spending account for medical expenses not covered by insurance.
____ The ability to carry vacation time over to the next year, without losing it.
____ The opportunity to contribute to an account to help fund retirement health insurance.
____ Having some or all of your sick time balance paid out upon leaving the company.
____ Receiving four weeks of vacation after 10 years of service.
____ Family dental insurance available to part-time employees.
____ Opportunity to purchase additional vacation.
____ Opportunity to sell vacation back to the company.

20. Are you currently enrolled in health insurance coverage through a spouse or parent?

O YES
O NO

Please indicate your level of agreement with the following statements.

21. If Airborne allowed employees who are eligible for health insurance coverage through a spouse or parent to opt out of coverage, I would opt out if offered additional cash (for example, $50/month) in my paycheck.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

Currently the health plan covers providers outside the network (at a lower benefit level). Some employers offer plans that restrict care to network providers only as a method to control cost.

22. I would enroll in a plan that limits me to network doctors at all times in exchange for lower cost.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

23. Have you ever used a non-network doctor?

O YES
O NO

24. How important is your freedom to choose your physician?

O Very important
O Somewhat important
O Neither important nor unimportant
O Somewhat unimportant
O Very unimportant

25. How important is access to non-network physicians?

O Very important
O Somewhat important
O Neither important nor unimportant
O Somewhat unimportant
O Very unimportant

In the next section, please indicate your level of agreement with the statements listed.

Currently, the Enhanced PPO plan has a $10 co-payment for generic prescriptions and $30 for brand-name prescriptions. The Basic PPO plan a has 20% co-payment on generic drugs and a 40% co-payment on brand name. By using a percentage instead of a flat dollar amount, the employee's share is based on the cost of the drug. With a flat dollar amount, users of lower-cost drugs subsidize users of higher-cost drugs.

26. ABX should implement a percentage co-payment for all prescription drugs.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

Out-of-pocket maximums provide protection against catastrophic claims. Typically, once the out-of pocket maximum is reached in a year, the remaining claims are paid at 100%. The higher the out-of-pocket maximum you are willing to accept, the lower your monthly premiums will be.

27. What is the maximum annual out-of-pocket protection you would consider?

O $1,000 single/$2,000 family
O $1,500 single/$3,000 family
O $2,000 single/$4,000 family
O $1,000 single/$3,000 family
O $1,500 single/$4,500 family
O $2,000 single/$6,000 family

Currently, in-patient hospitalization is covered at 100% under the Enhanced PPO plan. Approximately 954 admissions occurred last year. The average hospitalization cost is $5,931.

28. ABX should consider implementing a $100 co-payment for hospital admission in order to keep the monthly cost lower.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

29. Airborne should offer an option that provides hospitalization coverage at 90% with catastrophic out-of-pocket protection at a lower monthly cost than the 100% hospitalization option.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

30. Airborne should offer an option that provides hospitalization coverage at 80% with catastrophic out-of-pocket protection at a lower monthly cost than the 100% hospitalization option.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

Currently, non-married children who are supported by their parents are covered under the plan until age 21 (age 25 if they are full-time college students).

31. Airborne should lower the dependent age to 19 (age 22 if full-time college student) to save cost.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

Currently the doctor office co-payment is $15 per visit at participating providers under the Enhanced PPO.

32. Airborne should increase the office co-payment to $20 per office visit to save cost.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

33. Dental coverage is especially important to my family or me.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

34. Orthodontia coverage is especially important to my family or me.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

35. Hearing aid coverage is especially important to my family or me.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

36. Vision coverage is especially important to my family or me.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

38. How often do you need glasses or contacts prescription changed?

O Once a year
O Every two years
O Every 3 years or more
O Don't need glasses or contacts

39. Disability coverage is especially important to my family or me.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

Many employers offer a medical flexible spending account that allows employees to contribute pre-tax dollars to a medical spending account. Medical expenses that are not covered by the insurance can be paid from this account. This saves you money because it reduces the taxes you pay. You could use this type of account to pay for your office visits and prescription drug co-payments. It also can be used to pay for such things as laser eye surgery, hearing aids or other non-covered health related items.

40. Airborne should introduce a Medical Flexible Spending Account.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

41. Do you currently pay for childcare outside your home?

O YES
O NO
O Don't have children needing childcare

42. If you answered yes to question 41, how many children do you have in childcare?

O 1
O 2
O 3
O 4+
O Do not have children in childcare

43. If you answered yes to question 41, how much do you pay a week per child for childcare?

O $25 or less
O $26 to $50
O $51 to $75
O $76 to $100
O $100 to $150
O $150+

Some employers offer a Paid Time Off (PTO) program instead of separate vacation, sick, and holiday days. Under a PTO program, employees are granted a bank of days off they may use for any reason. Normally, a company will add the vacation days, holidays, and ***average*** *sick days to determine the allowable days under a PTO program. Employees with longer service are granted additional days similar to how vacation is granted. Under this approach, employees with good attendance records can increase their days off while employees with poor attendance records have fewer paid days off.*

44. Should ABX consider replacing our current sick time, vacation and holiday program with a Paid Time Off (PTO) program?

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

The current ABX attendance policy allows up to 8 occurrences in a 12-month period without any discipline. An occurrence is one period of continuous absence that can be as short as one day or as long as one year. In addition, qualified FMLA absences do not count as an occurrence under the attendance policy.

45. The current ABX attendance policy is too generous towards employees with poor attendance.

O Strongly Agree O Somewhat Agree O Neutral O Somewhat Disagree O Strongly Disagree

46. What do you consider to be a fair number of occurrences under the attendance policy before discipline is required?

O 3-4
O 5-6
O 7-8
O 9-10

The following questions are optional. These questions are designed to help us better understand and analyze the responses to the survey and how you would prefer to receive information about your benefits.

47. Please indicate your employment status with ABX

O Full-time
O Part-time
O Pilot

48. How long have you worked for ABX?

O Less than 1 year
O 1-5 years
O 5-10 years
O 11-15 years
O 16-20 years
O more than 20 years

49. Are you male or female?

O Male
O Female

50. How old are you?

O 21 or younger
O 22-35
O 36-45
O 46-54
O 55-64
O 65+

51. In which department do you work?

O Administration
O Air Park Services
O Airborne Logistics Services
O Ground
O Flight
O Maintenance and Engineering

52. Do you work at ILN?

O YES
O NO

53. Do you have Internet access at home?

O YES
O NO

54. Would you like to receive benefits information via e-mail?

O YES
O NO

If yes, please provide your e-mail address for future use.

_____

55. How would you prefer to receive future benefits information? (mark all that apply)

O Paper/Booklets/Printed Materials
O Internet / e-mail
O From your supervisor or manager / verbally
O Don't want to receive benefits information

56. Is your employment with ABX your primary source of income?

O YES
O NO

57. Is your employment with ABX your primary source of benefits?

O YES
O NO

58. If you are married does your spouse have benefits available through his/her employment?

O YES
O NO
O Spouse not employed

59. Do you have any additional comments you would like to share with us? (Please use the other side for additional room if needed.)

Thank you for your participation. Please return by January 13, 2003, to
ILN 9-C Attn: SURVEY 2061-B