

Remarks for Atlantic Council
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Frederick W. Smith
Founder, Chairman and CEO
FedEx Corporation

The FedEx SameDay Bot that joined us tonight is an example of innovation and creativity that has marked our company over its 46 years of operation and there is more in the works I assure you. Stay tuned!

I am indeed honored to accept the Atlantic Council award on behalf of over 450,000 FedEx global team members who earned it. We are proud to connect people and possibilities everywhere. Senator Alexander's kind introduction noted the scope of FedEx operations that allow us to deliver over 14.5 million shipments to 220 countries and territories every business day.

At Fred Kempe's request, I've included a few biographical photographs I believe are pertinent to the Atlantic Council's important mission.

Of particular note regarding tonight's event is the large FedEx presence in Europe where we have almost 50,000 people employed in 50 markets and a thousand facilities. These include major hubs at Stansted, Liege, Cologne, Milan and our largest at Charles de Gaulle airport – or CDG as it's better known – outside Paris. We operate 700 flights and about 55,000 highway trips per week in Europe.

France has always been a very important country for FedEx. We began operations using French aircraft, Dassault Falcon 20 Freighters. Each is about as big as one of the engines on our 777 freighters today! Our first Falcon, 8FE “Wendy” sits in the Smithsonian at Dulles Airport. All planes are named for FedEx team members’ children drawn by lot. Today FedEx operates 679 aircraft.

I am especially proud to be here tonight with one of France’s greatest citizens whom I greatly admire, Christine Lagarde, the distinguished Director of the International Monetary Fund. She was previously a partner and ultimately Chairman of Baker McKenzie, our global legal advisor, where she represented FedEx ably for many years before becoming the Minister of Finance for France.

The modern strategic relationship between the U.S. and Europe now spans over a century and began when this country entered World War I in April 1917. One of my good friends in college was Dick Pershing, grandson of General John J. Pershing, who led the American Expeditionary Force into France. We often sat in Dick Pershing’s library in New York City under the portrait of the great general, and you could see in those stern piercing eyes the determination and resolve that oversaw this unprecedented feat that turned the tide in the Great War.

I had the honor of serving in the Marine Corps immediately after graduating from Yale in 1966. Two years later in June 1968, I was in Vietnam as a company commander in the 3rd Battalion 5th Marine Regiment, a renowned unit in a storied branch of the American military.

It was the 5th and 6th Regiments that composed the two main units of Pershing's Marine Brigade 100 years ago in 1918 that initiated the first major fighting by Americans against the highly experienced German Army. That spring the Germans launched a great offensive against the Allies in the west. Germany's key objective was to finally take Paris, thereby winning the war after four years of stalemate and unprecedented slaughter.

The Marine Brigade had been assigned to guard the road 40 miles northeast of the Paris. The tip of the German spear was the Bois de Belleau, a heavily wooded hunting preserve, occupied by tough German veterans dug in among ravines and tangled foliage. The untested Marines of the AEF attacked the Germans through a wheat field swept by intense fire— suffering 1,000 casualties on the first day alone. After nine assaults and 20 days of fierce, close-in fighting the Marine Brigade prevailed, blunting the German advance and saving Paris. I believe it was at Belleau Wood on June 6th 1918, that the 70-year alliance honored tonight was foreordained. It was at the cost of 10,000 Americans dead, wounded, or missing in action. This initial victory was followed over five months by a series of now legendary battles for Pershing's Army that would end World War I at the 11th hour, on the 11th day, of the 11th month of 1918 – now our Veterans Day.

Last year, I went with several of our senior Europe Region executives and my daughter Sam of FedEx Government Affairs (who is here tonight) to Belleau Wood to pay my respects to 2,289 Marines and soldiers who lie in eternal repose at the beautiful Aisne-Marne Cemetery nearby. One of those was Lt. Weedon Osborne,

who was killed on the first day of the battle. He was a young Navy dentist from South Carolina who went forward to retrieve wounded Marines and rush them to safety. Lt. Weedon was awarded the Medal of Honor. Sam and I laid a wreath in honor and remembrance of all the young Americans who died to preserve the freedom of Europe in both World Wars.

As FedEx grew into a significant company through the 1980's and 90's, we were bolstered by our expansion throughout the world due to the growth in global trade and communications. It was a great day when we introduced our first Boeings after air cargo reform in 1977, and in the 80's we began flying our first wide-body freighters overseas which America's commitment to Open Skies made possible. The unprecedented door-to-door trade flowing through FedEx international networks has truly changed the way the world works. You may find it interesting that our Express Super Hub in Memphis processes more customs entries per day than any other U.S. port.

In early June 1994, FedEx concluded an agreement to put our largest hub in Europe at CDG. I will never forget the day when the General Manager of CDG stopped in the middle of his briefing for our Board of Directors. He held up a small vial of sand from Omaha Beach and a coin with Eisenhower's likeness the airport gave every arriving veteran. He said simply, "Every French school child knows about those cemeteries above the Normandy beaches, and every French citizen knows what the Americans have done for our country in two wars."

We at FedEx are very proud our major hub in Europe is in France where we are in the midst of a major expansion now. We fly from CDG daily to many places around the world including our Asian hubs in Guangzhou, Singapore, Shanghai, and Osaka.

We often hear now that we're living in the "Asian Century," and FedEx has been heavily involved on that side of the world for decades. I had the privilege to serve as Chairman of both the French-American Business Council and the U.S.-China Business Council – the latter during the period when China was admitted to the WTO. The photo is the FedEx Board of Directors and senior management in 1998 being hosted by President Jiang Zemin with key members of his government in Beijing.

China's economic growth has been unprecedented in the history of the world. Since the financial crisis of 2008/2009, China has significantly changed its posture from a purely commercial orientation to one that is much more geopolitical with such initiatives as Made in China 2025, Indigenous Innovation, a rapid expansion of bases in the South China Sea, and a major buildup of its Navy. While I believe the world is far better off with China having improved the living standards of hundreds of millions of its citizens, no one should forget this was largely done by opening the markets of Europe and the United States to Chinese exports. FedEx played a major role in facilitating China's growth, which is why our Board was welcomed by China's President twenty-one years ago. I dare say it is unlikely China's leadership would host a western company's top management today in such a fashion. Times have changed.

We at FedEx were profoundly disappointed that the U.S. Administration ended our country's involvement with the Trans Pacific Partnership or TPP, which was recently consummated by the other 11 countries. Our lack of participation puts American exporters at significant disadvantage. In the same vein, the efforts to conclude the Transatlantic Trade and Investment Partnership (T-TIP) also ceased shortly after President Trump took office. I strongly believe both of these decisions were unfortunate.

In this regard, hopefully current trade negotiations between the U.S. and China and the U.S. and Europe will further reduce trade barriers and achieve the ambitions of President Roosevelt and his Secretary of State, Cordell Hull, who began the modern march towards open markets with the Reciprocal Trade Agreements Act of 1934. Following World War II, the U.S. worked hard to develop rules-based institutions such as the IMF, World Bank, and the General Agreement on Tariffs and Trade (GATT) which became the World Trade Organization in 1995. Such institutions fed the growth of global prosperity in the last half of the 20th Century, leading Europe and the U.S. to become each other's largest trading partner and largest recipient of each other's foreign investments.

We believe the relationship between the democracies of North America and the democracies of Europe is key, in turn, to a stable and prosperous relationship with China and the rest of the world.

From time to time, I visit Arlington National Cemetery and pay my respects to my friend Dick Pershing who lies at the highest point in Washington alongside his grandfather General of the Armies John J. Pershing. I was 30 miles away when Lieutenant Pershing was killed in Vietnam in February 1968. He served in the famed 101st Airborne that jumped into Normandy 75 years ago this June.

At the pinnacle of that hallowed place, I think about Dick and what he might have become. And my mind always turns then to the World War I doughboys that General Pershing took to France one hundred years ago and the G.I.'s that followed a generation later during World War II. Many of our dead from both wars rest in Arlington, and I think about what they gave for the freedom of the world and the defense of Europe. They gave everything.

The deep and sacred ties between America and Europe transcend the here and now, dollars and cents, and the news of the day. These bonds were consecrated by the heroes that lie on the slopes below the Pershings' graves and overseas within the beautiful American cemeteries across Europe.

We forget their sacrifice and the importance of the Atlantic relationship honored tonight at great peril to the security, prosperity, and peace of the world to come.

Thank you.