



Judge Rules FedEx Must Reclassify Delivery Drivers As Full Employees

By Rachel Osterman, The Sacramento Bee, Calif.

Oct. 12--Several hundred California delivery drivers for FedEx Ground must be reclassified as full employees -- not independent contractors, according to a recent ruling by a Los Angeles Superior Court judge that gives the company the option to "substantially" change its drivers' working conditions.

The ruling, issued Friday by judge Howard J. Schwab, is the latest development in a years-long class-action battle between the Pittsburgh-based division of FedEx and some of its drivers.

The drivers are considered independent business operators who own their own routes, purchase their trucks and pay for such expenses as the cost of gasoline -- an arrangement that FedEx says allows drivers to be their own bosses, but that critics contend deprives them of workplace protections.

Former FedEx driver John Kirkwood said he was pleased with Friday's ruling.

"This is the whole reason I did the class-action, to make FedEx stop treating drivers the way they did," said Kirkwood, an Orangevale resident who is a plaintiff in the case.

Friday's injunction was a followup to judge Schwab's finding in July 2004 that the drivers had been improperly classified as independent contractors and should be considered employees.

But the legal battle is far from over.

A spokesman for FedEx Ground said the company plans to make adjustments to continue classifying its drivers as independent contractors within the scope of the judge's ruling, which gives the company 180 days to comply. FedEx also plans to appeal the entire ruling.

"We will continue to do what we need to operate with independent contractors," said spokesman David Westrick. "We have 14,000 men and women across the country who entered into this agreement understanding they would be independent contractors and would have the opportunity to grow their business."

Plaintiff lawyer Lynn Rossman Faris said the company could not continue to legally operate with independent contractors. "There is no way that any company the size of FedEx Ground can deliver millions of packages a day without exercising control over the people who deliver the packages," she said.

In federal court in Indiana, meanwhile, 28 separate class-action suits against FedEx Ground's use of independent contractors have been consolidated. U.S. District Judge Robert Miller will preside over cases similar to California's asserting that drivers throughout the country should have been treated as employees.

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