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U.S. Labor Board Charges FedEx Ground/Home Delivery with Illegal Treatment of Drivers at Two New Jersey Terminals

NLRB Complaint charges retribution against those favoring representation

PHILADELPHIA, PA (July 3, 2006) – The National Labor Relations Board (NLRB) is charging FedEx Ground/Home Delivery, a subsidiary of FedEx Corporation (NYSE:FDX), with numerous illegal practices stemming from its treatment of drivers at the company's Barrington and West Deptford, New Jersey terminals, according to a Complaint issued by the agency.

The company, according to the Complaint, engaged in a pattern of illegal practices against drivers at the two terminals primarily as a result of their involvement in organizing a labor association to represent their interests. At the Barrington terminal, the drivers became the first group of FedEx drivers in the U.S. to vote for representation. FedEx is contesting that vote. The NLRB Complaint specifically accuses the company of:

- Firing, and/or threatening drivers, involved in the organizing efforts.
- Terminating driver insurance and route operating contracts.
- Discriminating against drivers who testified before or filed charges against FedEx Ground/Home Delivery with the NLRB.
- Promising preferential treatment if drivers rejected the collective bargaining campaign.

The Complaint requires FedEx to answer the charges by July 14, 2006, and set a date of July 31 for a hearing before an NLRB Administrative Law Judge in Philadelphia.

FedEx Ground/Home Delivery has maintained in New Jersey and nationally that the drivers are independent contractors and not employees. It has consistently been found to have exercised complete control over the drivers and to have misclassified them as a way of avoiding paying their benefits and other overhead expenses.

“We are once again encouraged that yet another government agency has found that the drivers are employees that they have been the innocent victims of blatant discrimination simply because they were trying to protect their rights in the workplace,” says Jerald R. Cureton, Esq., the lawyer for the drivers. “The NLRB documents how FedEx tried to divide and conquer the drivers in an effort to kill the association, even bringing in managers from other terminals in an attempt to physically segregate pro-association drivers from the others. Despite their tactics, and spending upwards of \$1 million in legal fees, they still couldn't fend off the employee association.”

The NLRB position in the New Jersey cases is consistent with those in other states – from California to Massachusetts -- where the company's treatment of thousands of past and present FedEx Ground/Home Delivery drivers is being challenged. Within the past year,

FedEx Ground/Home Delivery has been assessed nearly \$100 million by various boards and courts as a result of its employment practices related to its drivers.

Cureton adds, “It is fitting that the ruling of the NLRB was issued right before July 4th because this case and the others across the US – including a national class-action suit – are demonstrating that FedEx has taken the independence out of independent contracting.”

For further information on the NLRB complaint, and the federal class-action lawsuit, visit www.fedexdriverslawsuit.com or call Attorney Cureton at the number listed above.

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