



Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

See a sample reprint in PDF format.

Order a reprint of this article now

THE WALL STREET JOURNAL

WSJ.com

BUSINESS | OCTOBER 20, 2009, 4:17 P.M. ET

State AGs Challenge FedEx

By CHAD BRAY

Attorneys general in New York, New Jersey and Montana threatened to sue a [FedEx Corp.](#) unit on Tuesday over its classification of drivers as independent contractors.

New York Attorney General Andrew M. Cuomo, Montana Attorney General Steve Bullock and New Jersey Attorney General Anne Milgram in a statement Tuesday said they sent a letter to FedEx Ground Package System Inc. threatening to sue the company for alleged violations of state labor laws if the company doesn't change its policies.

A FedEx spokesman said, "We have been in discussions with all three state AGs and their staffs to address the questions that they may have regarding this issue."

"While we intend to continue with these discussions, we will vigorously defend the right of FedEx Ground independent contractors to own and operate their businesses, should the AGs pursue litigation," added FedEx spokesman Maury Lane.

The AGs' letter claims FedEx unlawfully misclassifies its drivers as independent contractors, denying them workers' compensation coverage and exempting them from protection by anti-discrimination laws and labor-relation laws, Mr. Cuomo said.

"By blatantly misclassifying its drivers, FedEx Ground has denied these individuals the employment rights they are guaranteed by law," Mr. Cuomo said.

Drivers are required to spend thousands of dollars out-of-pocket for their trucks, repairs, fuel and uniforms while being held to strict FedEx Ground rules that control the hours they work, the way they dress, and their ability to contract with anyone else outside the company, Mr. Cuomo said.

Ms. Milgram said, "This company denied its drivers the benefits they should be guaranteed, while forcing them to be financially and personally accountable for strict employment requirements."

Copyright 2009 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law.

For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit

www.djreprints.com