



NUTS and BOLTS

The Newsletter For FedEx Express Mechanics Class and Craft Volume 2, Issue 6



**United We Bargain
Divided We Beg**

Aircraft • Sort Systems • Facility • GSE • VT

FedEx Express employees in the mechanics class and craft have launched a campaign to form a union with the Teamsters. This newsletter is written by us and highlights issues we believe are important to all of us. Visit our web site at www.FedxMx.com.

Eyewitness at the FedEx Shareholders Meeting

By Al Reese, Sr. AMT, Indianapolis



I was one of a group of FedEx Express workers who attended the FedEx shareholders meeting this year. Here are a few of my thoughts at what happened:

“I was able to ask Fred Smith some questions:

I asked about the reductions, elimination, or replacement, of many of our benefits and some of our pay. Fred’s response was that WE (the workforce) have not seen any

reductions in compensation. Can you believe that? In fact, Fred commented on pay and bonus reductions of the management ranks. He also said that benefit reductions or changes, were just solid business decisions.

I asked if he had plans to communicate to the stockholders detailed information regarding the status of H.R. 915 (the FAA reauthorization act of 2009), and the likelihood of our pro-worker language being inserted into the final draft of the bill. I asked Fred if he had plans to communicate to the shareholders detailed information regarding the likelihood of many of the company’s employees forming unions. I believe that Fred dismissed the likelihood of employees forming into legally protected labor unions at this time. However, Fred did say more than once that it is “OUR CHOICE” to unionize and that the company respects our right to do so.

I also had a personal message that I wanted to share. I stated that many of us, the FedEx Express workforce, feel betrayed by the board’s actions. I said that many of us came to work for FedEx based on their compensation package and their People-Service-Profit philosophy. I said that we thought that we could count on him to honor his published compensation package as long as the company remained healthy. I asked if he did not realize that their actions are the reason for our current unionization efforts.

After everything that has gone on at FedEx for 10 years now, I don’t think that we really even hear each other anymore. Manage-

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Memorable Moments

From the Shareholders Meeting

By Jamie St. Laurent, Corporate and Financial Research Analyst, Teamsters

I also attended the shareholders meeting and found some of Fred Smith’s statements incredulous, to say the least. Here are some of the more ‘memorable’ moments I found looking through the transcript, which can be found online at www.fedex.com and click on Investor Relations and then Events.

“Because of the severe economic contraction, they have made tremendous sacrifices in the past year, often with pay cuts, lower hours, suspension of our 401(k) match, but in spite of all of that, they still delivered on our Purple Promise to make every FedEx experience outstanding for our customers.” (p. 5)

- Learning from last year’s mistakes, this year Fred made sure nobody forgot that the Purple Promise is only for customers

“For example, UPS and its allies are trying to disrupt FedEx Express operations by changing the Railway Labor Act, under which Express has been classified since it began operations in 1973.” (p.6)

“We at FedEx will continue to take a strong stand for trade equality in the marketplace, and healthy competition that benefits consumers everywhere. To do anything less is to slow America’s economic recovery.” (p. 6-7)

- What Fred is referring to is the Express Carrier Employee Protection Act, which he opposes because it would get rid of FedEx’s special deal. The legislation would properly classify FedEx Express’s ground workforce under the correct labor law, which would make it easier for these workers to form a union.
- And second of all, if that statement regarding trade equality were true, then FedEx would be in favor of

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Memorable *continued from page 1*

leveling the playing field and competing fairly with all other package delivery companies.

“Our pension plan is well-funded.” (p.7)

- Which pension plan? The Defined Benefit plan you decided to cut? The 401(k) plan you cut the match to? This is not a very reassuring statistic!
- If the truth be told, one of the reasons FedEx discontinued the Defined Benefit plan was to avoid having to make public the fact that it is actually underfunded. Reporting to workers affected is a requirement of the Pension Protection Act that FedEx obviously did not want to be covered by or adhere to.

“When that occurred [passing of the Pension Protection Act], any prudent management recognized that the potential to have a catastrophic condition of illiquidity was a risk that simply could not be tolerated.” (p.9)

- Fred is completely putting the blame on the federal government in explaining why the Defined Benefit plan was ditched, making it sound as if keeping the plan would have been an unacceptable business risk. This statement completely misstates the facts, which are that FedEx wanted to cut its exposure and put all of the risk on the employee in planning for their retirement security. By avoiding being covered by the Pension Protection Act, FedEx also avoided the transparency to employees that is required by the act. After the meeting, a FedEx manager seemed to buy into this argument, trying to argue with attendees that the government had forced FedEx to get rid of the Defined Benefit plan. Do a lot of people really believe this???

“The only reason the pick-up and delivery operations of FedEx Express exist are to pick up and put things on airplanes.” (p.10)

- Once again, the argument of a package overnighted from Washington, DC to Baltimore. Did that really go on a plane??

“...we’ve said very publicly we could no longer, nor could any other airline or any railroad continue to invest in that business, because we would have gone all the way back to the 19th century, and all of the lessons that were learned.” (p.10)

- More scare-mongering on the RLA Express Carrier Employee Protection provision. It would not affect any other railroad or airline, and would not catapult FedEx back to the dark ages. Passage of the legislation would simply put them on an equal playing field with the way things are already done for everyone else!

“As to whether you have a union or not, that’s your decision, and the other aircraft mechanics. Nobody has ever said anything to the contrary. You have the perfect right to seek union representation and that’s the law, and we respect that. If you want union representation, and your fellow mechanics want union representation, that is your legal right to choose that.” (p. 11-12)

“I love our AMTs.” (p.13)

- Sure you do, Fred. Sure you do. You love us all so much, you have cost us hundreds of thousands of dollars in retirement income, raised our insurance costs while cutting coverage, taken away our incentive plans, eliminated our 401k matching contributions, improperly classified most of us under the wrong labor law which summarily limits our rights to Freedom of Association.

Eyewitness *continued from page 1*

ment just keeps taking from us and the workforce just keeps taking it. What I did hear is this; we had better use this once in a lifetime opportunity, and join with the Teamsters, to change the status quo. We had better secure a legally binding contract for ourselves and for our families. Only then will management have to deal with us exactly like they deal with anyone else that they contract with. This way, FedEx Corporation will never again be able to arbitrarily issue a letter or not and take something else away.”

Your Input is Needed

Is the company doing something in your area you feel others need to know about? Don’t keep it to yourself, let us know! The more informed we all are of what the company is doing in various terminals, the better off we are in our campaign.

Call your organizer in your area, or email Greg Chockley at gchockley@teamster.org, or Donna De La Cruz at ddelacruz@teamster.org. We need your input!



Express Carrier Support Cards

As you all should already know our legislation the Express Carrier Employee Protection Act after overwhelmingly being passed by the U.S. House is currently awaiting action by the U.S. Senate. Many of you have taken action by writing letters of support for our legislation to decision makers in our government. That is to be commended. We are now undertaking an action to aid in moving our legislation forward. Along with our brothers and sisters in the Teamsters Union and other job classifications at FedEx Express, we are all signing support cards to help show the overwhelming support for passage of our legislation. Never let it be said that "I" missed a chance to support the passage of this important legislation. Its passage will help us regain our right to Freedom of Association and give us an opportunity to pursue our goal of unionization at FedEx Express.

Use the SUPPORT EXPRESS CARRIER EMPLOYEE PROTECTION card contained. These cards are to be filled out by our coworkers at FedEx Express that support our legislation and want to see it passed. This important legislation will properly classify us all under the appropriate labor laws and serve to restore our right to freedom of association.

The signed cards will then be hand delivered to Senators to aid in our campaign to pass this important legislation.

- Sign a card yourself
- Get your coworkers to sign these cards..... (make them readable)
- Collect the signed cards(make sure they are filled out)
- Send the collected signed cards to:

International Brotherhood of Teamsters
Organizing Department
 c/o Ted Perez
 25 Louisiana Ave. N.W.
 Washington, D.C. 20001

It is important that we get these cards signed and returned as quickly as possible. Restore your rights, gain an opportunity to seek unionization and make sure we are all properly classified under the proper labor laws. Sign and return a card today. We appreciate everyone's hard work and support and we are getting closer everyday to passing our legislation and gaining the opportunity to pursue our goal of a voice in the workplace with the Teamsters.

Keep up the good work and if you have any questions, contact an organizer in your area. Use the card here or to download a card, go to www.fedxmx.com

Dear Member of Congress,

I work at FedEx Express as a _____ **I ask that you support the Express Carrier Employee Protection Amendment.** This important pro-worker legislation will restore my right of *Freedom of Association* and help level the playing field between the other express delivery companies in the U.S.

The right of *Freedom of Association* was severely limited for nearly 100,000 FedEx Express workers by the passage of the "1996 FedEx Special Deal." This deal allowed for **all** FedEx Express employees to be placed under the jurisdiction of the Railway Labor Act, a law that covers only rail and airline employees. This deal created a loophole that improperly classified truck drivers, couriers, sorters, loaders, ground maintenance and all other non-air-qualified employees incorrectly and placed them under the RLA.

Only FedEx Express is allowed to operate under this special set of rules while the other 46 express delivery companies' employees are appropriately classified and appropriately covered by the National Labor Relations Act. No company should be able to hide behind a special deal to limit their employees' rights and be treated differently than all other companies in their industry.

I ask you to **Right the Wrong** of the "1996 FedEx Special Deal".

Please support Express Carrier Employee Protection.

Print name _____ Signature _____

Street Address _____

City _____ State _____ Zip _____

E-mail _____ Phone _____



UPS vs. FedEx on Insurance Costs

We find ourselves once again faced with "open enrollment" time at FedEx Express for our insurance coverage.

It appears once again we are being given the opportunity to "pay more for less." Our costs will be going up and our coverage is diminishing. Depending on what plan you opt for and what insurances you sign on to, deductions from our paychecks will apparently go up yet again.

I am sure you all have seen the in-dept breakdown of how our costs have gone up while coverage has diminished. This breakdown over a 5 year period 2003 to 2008 should turn your stomach. Our company took benefits from us while earning record profits. Our only choice to stop this "benefit bleed" is to form a union. If you don't think that will change things, take a look at this comparison of insurance costs between UPS and FedEx. We think it will change your mind about what a union can do for you. Look what the UPS Teamsters have brought to their families:

Plan Feature	UPS Healthcare	FedEx Advantage Plan
*Employee Contribution (monthly)	None	\$300+
Deductible	None	Single \$100 Family \$300
Annual Out of Pocket Maximum	\$1,000	Single \$3,000 Family \$9,000
Hospital - Inpatient	100%	Pay deductible \$250 copay 80% coverage
Surgery - Inpatient	100%	Pay deductible Pay for visit 80% coverage
Physician Office Visit	100% after \$10 copay PCP and Specialist	\$25 \$40 for Specialist

Plan Feature	UPS Healthcare	FedEx Advantage Plan
Other Services Medical Equipment; Rehab: Home Health Care; Hospice; Skilled Nursing; Ambulance etc.	100%	Pay deductible 80% coverage
Emergency Room	100% within 72 hrs.of accident; otherwise \$25 copay	\$100
Prescription Drug Benefits	<u>Retail:</u> Generic - \$0 Brand - \$5/Rx <u>Mail Order:</u> Generic & Brand - \$0	Retail Generic \$5 Preferred Brand \$25-\$75 Non-Preferred brand \$40-\$100
Dental Benefits	Annual Deductible \$0 Preventive 100% Restorative 80% Annual Max. None	
Vision Benefits	Annual Exam 100% Lenses & Frame 100% Contacts 100% up to Plan allowance	



Stop the Benefit **Bleed** at FedEx Express



Once again, we are seeing our benefits diminish and costs going up. Once again, we have no say in what is covered or how much we pay.

WHAT'S NEXT?

The company can do anything they want to our benefits because we don't have a contract.

What good is a strong union contract? Here are two examples:

- What Do UPS workers performing the same duties as us pay for their benefits? **Nothing**
- Do our unionized FedEx pilots' benefits change at the company's whim? **NO**

Why? **BECAUSE THEY BOTH HAVE written contracts with their employers THAT SPELL OUT the costs and coverage that they enjoy. Both enjoy benefits that CAN'T BE CHANGED UNLESS the workforce AGREES TO changes.**

Show your support of our legislative battle by signing and returning a **Support Express Carrier Employee Protection** card. Support cards are available from workplace organizers or at www.FedxMx.com

This is our time to:

- Obtain the same level of protection for our families as FedEx pilots and UPS workers
- Keep our health benefit expenses from increasing while coverage diminishes
- Restore what we have lost already



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STOP the BENEFIT BLEED at FedEx Express with a TEAMSTER CONTRACT

www.fedmx.com



FedEx Advantage Plan 2003—2008 Analysis

Feature	2003 In Network	2003 Out of Network	2008 In Network	2008 Out of Network	In Network Change (Employee Pays)
Deductible	\$0	Single \$300 Family \$900	Single \$100 Family \$300	Single \$500 Family \$1500	Pay additional \$300 for family
Out of Pocket Maximum	\$0	Single \$3300 Family \$9900	Single \$3000 Family \$9000	Single \$7500 Family \$22500	Pay up to \$9000 (family)
Hospital Inpatient	100% Coverage	70% coverage	Pay deductible \$250 copay 80% coverage	Pay deductible \$250 copay 60% coverage	Pay additional \$250 20% less coverage
Surgery Inpatient	100% Coverage	70% coverage	Pay deductible Pay for visit 80% coverage	Pay deductible Pay for visit 60% coverage	Pay deductible Pay for visit 20% less coverage
Surgery Outpatient	100% Coverage	70% coverage	Pay deductible \$100 copay 80% average	Pay deductible \$100 copay 60% coverage	Pay deductible Pay for visit 20% less coverage
Office Visit Physician	\$20	70% coverage	\$25 \$40 for specialist	Pay deductible 60% coverage	Pay additional \$5
Preventative Care	\$20 Copay	No Coverage	\$25	No coverage	Pay additional \$5
Ambulance	100% Coverage If Emergency	100% Coverage If Emergency	Pay deductible 80% coverage	Pay deductible 80% coverage	Pay deductible 20% less coverage
Emergency Room	100% Coverage If Emergency	100% Coverage If Emergency	\$100	\$100	Pay additional \$100
Prescription 1-month (retail)	Generic \$5 Preferred Brand \$15 Non Preferred Brand \$35		Generic \$5 Preferred Brand \$25-75 Non-Preferred Brand \$40-100		Limited brand coverage Pay up to \$65 more

Employee contributions through payroll deductions between 2003 and 2008 have increased approximately 110%. Currently \$200-350 per month (depending on coverage).

Estimated net plan cost to FedEx 2003 to 2008 increased approximately only 50%.

Employees' share in their health insurance costs (just in payroll deductions) increased by more than two times the increase borne by their company FedEx.

The average annual rate of insurance plan cost increase between 2003 and 2008:

- 22% per year increase in employee contributions as opposed to
- 10% per year increase in net plan cost to FedEx.

**What is wrong with this picture?
What changes will come our way next?**

Conclusion: The Cost to us goes UP and the Coverage goes DOWN! FedEx is pushing more and more of the costs to us.

We need a written contract that locks in our insurance coverage and costs. Don't let the corporation win!

All of this took place while coverage diminished and our own company FedEx Express garnered record profits.



National Mediation Board Proposal Would Be Great For Airline, Rail Workers

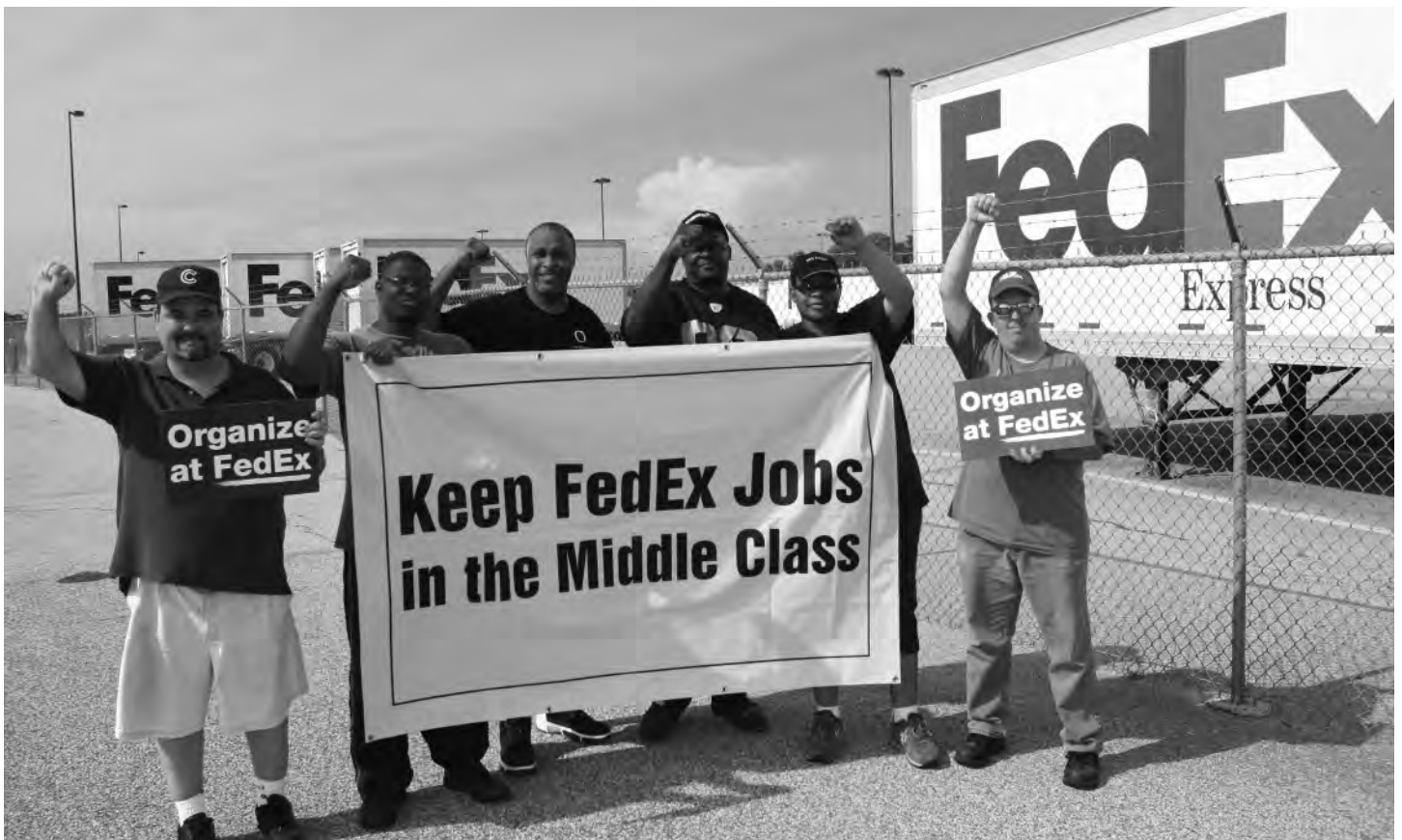
Earlier this month, the National Mediation Board announced a proposal that would reform the voting process for union elections at airlines and railroads. The NMB is proposing that a union be certified if a simple majority of the employees who vote support it.

The current rule now requires a majority of all eligible airline or rail worker voters to vote in favor of union representation to be certified as a union. In other words, if you have 2000 eligible to vote it would take 1001 yes votes to win your union. Currently every non voter counts as a “no” vote to representation. Doesn’t quite sound realistic, does it?

The Teamsters have been at the forefront of an effort to reform the NMB rules. We have lobbied hard for the changes and should continue to do so.

If our elected officials were held to the same standard that exists today, very few would be in office, because many citizens simply do not vote.

The board will make a final decision on whether to adopt the rule sometime (the actual timing is not known) after taking public comment for 60 days. We fully expect that the carriers will fight the rule changes in court.



FedEx Express Mechanics Class and Craft Contact Information

Visit our ‘Contact Us’ page at www.FedXmx.com to talk to organizers in your area.