

Judge rules FedEx Ground workers are employees; firm to appeal

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Tuesday, October 11, 2005



A Los Angeles Superior Court judge ruled Friday that FedEx Ground Package System Inc. drivers who work in one service area are company employees and that FedEx must stop classifying its past, current and future pickup and delivery employees as independent contractors. FedEx requires drivers to buy expensive trucks with the company logo, wear FedEx uniforms, work exclusively for FedEx and sign a contract. A FedEx Ground spokesman Monday said the company will appeal the judge's interim decision, based on a July 2004 trial, to the California Court of Appeals. In federal court, 25 court cases, including one from Pittsburgh, were consolidated and transferred to the Northern District of Indiana.

ALCOA PROFIT EDGES UP

Aluminum manufacturer Alcoa Inc. on Monday said third-quarter profit rose 2 percent, despite lower aluminum prices and higher energy costs. Net income rose to \$289 million, or 33 cents per share, for the three months ended Sept. 30 from \$283 million, or 32 cents per share, in the prior-year period. The latest results include a gain of 4 cents per share from the sale of railroad assets. Sales grew to \$6.57 billion, up 13 percent from \$5.82 billion a year ago. Alcoa said it faced falling aluminum prices and higher costs, particularly in energy and raw materials, during the quarter. Those costs were \$578 million higher than a year ago, the company said.

AMERICAN BUYER SOUGHT

British Nuclear Fuels Limited's plans to sell Pittsburgh-based Westinghouse Electric Corp. has U.S. officials worried about the possibility that the nuclear engineering company might fall into foreign hands. The Independent of London reported officials in Washington, D.C., want an American company to buy Westinghouse. Japan's Mitsubishi Heavy Industries and South Korea's Doosan Heavy Industries have bid against General Electric, a Westinghouse competitor. British Nuclear Fuels expects to sell Westinghouse next year, possibly for \$2 billion. Westinghouse spokesman Vaughn Gilbert Monday declined to comment.

ARIBA STOCK UP ON UPGRADE

Ariba Inc. shares climbed Monday, after RBC Capital Markets upgraded the maker of supply-chain software to "sector perform" from "underperform," based on improved business activity and low valuation. Stock of the Sunnyvale, Calif.-based company rose 68 cents, or 11 percent, to finish at \$6.92. On a 52-week basis, there was a high of \$17.50 last Dec. 13 and a low of \$5.40 on May 17. Ariba acquired Pittsburgh-based FreeMarkets Inc. last year and now employs about 500 here. "We believe several projects are finally turning into significant revenue events for the company," said RBC analyst Brad Whitt.

US AIRWAYS TO USE EDS

The new US Airways will use EDS as its reservations system, the carrier said Monday. The Dallas-based technology services company will integrate the old US Airways' Sabre systems with that of America West, which already has an EDS reservations system. EDS' system currently handles more than 25 million America West passenger reservations annually. That volume should grow to 85 million, once the system is fully deployed across the merged carriers, said a US Airways statement. The Communications Workers of America, which represents US Airways reservations agents, could not be reached for comment. The old US Airways has used EDS for information technology services since mid-2001.

VICTORY VOTE LIKELY DELAYED

South Strabane supervisors plan to hold a public hearing at 7:30 tonight on a controversial tax-increment financing plan for the Tanger Outlets and Bass Pro Shops at the planned Victory Centre, but they probably won't vote. Officials need more time to go over documents, Supervisor Bob Koman said Monday, and Supervisor Billy H. Bell will miss the meeting due to a continuing illness. Washington County and the Trinity Area School District already have approved tax breaks for 120 outlet stores to be built on 122 acres, and for a campus-style sports retail, education and entertainment development on 210 acres.

PPG RESUMES PRODUCTION

PPG Industries Inc. Monday said it has resumed limited production of chlor-alkali products at its Lake Charles, La., chemicals complex, which was interrupted two weeks ago by Hurricane Rita. The initial production rates are less than 25 percent of capacity, and the force majeure declared Sept. 26 for the plant's production capabilities remains in effect. The company has not set a date for the resumption of full production, but normal work schedules for most jobs resumed Monday. A limited number of shipments of production from inventory were made last week.

OTHER BUSINESS NEWS

- American Bridge Co. was awarded an \$88.6 million contract by the U.S. Army Corps of Engineers to build a pair of new bridges over the Tennessee

River, just below the Kentucky Lake lock and dam. The work is expected to be completed in February 2010. Work includes the superstructure and approaches for parallel road and railway bridges. A 2,100-ton truss span will be fabricated at shops in Coraopolis, assembled near the site and floated into place.

- Deborah Foster, vice president of corporate communications at H.J. Heinz Co., has been named Business Communicator of the Year for 2005 by the Pittsburgh chapter of International Association of Business Communicators. She will be recognized at a ceremony on Oct. 27 at the Rivers Club in One Oxford Center, Downtown.

-- *Staff and wire reports*



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