



## FedEx ground delivery on verge of 'collapse' as rising costs threaten to bankrupt contractors

### Description

**USA: Thanks to the policies of Joe Biden and the Democratic Party, inflation is getting so bad it is about to ruin one of the nation's largest package delivery companies; FedEx.**

As reported by the UK's *Daily Mail* this week, the company's ground delivery system is about to collapse because the local contractors relied upon to take up most of the slack are facing costs so high they are on the verge of bankruptcy. And worse, there are no signs that their rates of compensation are going to increase anytime soon.

In addition to rising labor shortages (and costs), contractor fleets have had to deal with a near-doubling in diesel fuel and other transport costs thanks to Biden's war on the fossil fuel industry. And while prices for gas and diesel have come down a bit recently, thanks to an OPEC production cut that is about to kick in, those prices are going to go right back up.

"The FedEx Ground network relies upon local delivery companies to make the package and parcel dropoffs on behalf of the \$54 billion multinational conglomerate," the outlet reported. "But now one of the largest delivery contractors is warning that the entire system is on the brink of falling apart with local workers unable to absorb any more rising costs."

Spencer Patton, the head of Route Consultant, an industry group, noted: "The FedEx Ground network is in far more peril than what anyone realizes. If Wall Street analysts, if FedEx corporate, and FedEx ground understood the degree to which the network is in danger, there would be widespread panic."

The *Daily Mail* explains:

*FedEx Ground works by utilizing the services of around 6,000 small businesses that are under contract with the company in order to make doorstep deliveries.*

*Patton, who controls a fleet of 275 delivery trucks and has 225 employees across 10 states on his books is looking for a raise of 50-cent per stop for delivery contractors and a 20-cent increase for long-haul trucking contractors by the end of November 25, the start of the holiday shipping season.*

*Patton was hoping to negotiate directly with FedEx Ground and had set up a 10-member committee in the hope of focusing their attention.*

He went on to say that he's not trying to establish a union, though what he is attempting to set up looks like one.

"FedEx Ground has no network without contractors. And we have no network without FedEx Ground. So we are inextricably linked here together in our mutual destiny," he told *Insider*.

The economic situation created by Biden's policies and Democrat spending has created astronomical cost increases, labor shortages, and rising prices for trucks. There is no 'green fleet' on the horizon for FedEx or any delivery service, including UPS and the Post Office because there are no vehicles made yet that can handle an all-day workload of continual operation without taking 15-25 minutes to recharge maybe three or four times per day.

The industry expert first raised red flags regarding delivery services earlier this year when Biden's fuel price spikes really began to take huge bites out of contractor budgets. At the time, he penned a couple of letters signed by hundreds of contractors addressed to management at FedEx ground. Patton has argued that as many as 35 percent of FedEx ground delivery contractors are nearing bankruptcy while urging FedEx officials to beef up compensation.

But company CEO John Smith said officials looked at fuel compensation in the contracts and that they did not believe any increase was necessary at the moment.

"We recognize the shifting market dynamics and current economic conditions may pose new challenges for service provider businesses, and we remain committed to working with these businesses to create opportunities for continued success," Smith told the contractors.

It should be obvious by now that Biden and Democrats are working with anti-Western globalists led by the World Economic Forum to destroy our economies and replace them with dependency. We continue voting for the same people at the risk of self-destruction.

by: JD Heyes

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