

FedEx Freight to close 29 locations in fourth round of layoffs

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On May 2, FedEx announced it would continue its cost-cutting measures by enacting a fourth round of layoffs. The *Hill* reported that company planned to close twenty-nine locations. When the Memphis, Tennessee newspaper, *The Commercial Appeal*, asked the company where the closures would take place, a FedEx spokesperson said they did not have “that information to share at this time.”

FedEx Manager of Global Public Affairs and Advocacy Isabel Rollison said the closures would be in effect by August 13, and the company will consolidate its operations into other FedEx locations. Rollins also said FedEx Freight will lay off more workers starting May 28. “Eligible employees will be offered permanent transfer opportunities to other markets with hiring needs.” There were no transfer criteria, and the company didn’t say how many employees they would lay off.

Rollison cynically added, “FedEx Freight will also maintain health benefits for furloughed employees.” However, she didn’t say how the “furloughed employees” would pay their living expenses, including soaring food, rent, and gas prices. She also failed to indicate how these workers would pay the ever-increasing insurance premiums, co-pays, and deductibles.

The company stated, “We continuously review our network to ensure we have the right design to address changing market dynamics. Through that process, we identified opportunities to consolidate operations in several locations to improve customer service levels and efficiencies with fewer touchpoints while lowering

our service cost. Our top priority is to help affected team members find other open positions where possible.”

FedEx Freight announced its first round of layoffs in November of last year, with a second round starting in January. The company then enacted a third round in March. FedEx did not specify the number of workers impacted by layoffs on the prior three occasions.

A month ago, FedEx announced a plan to consolidate FedEx Express, FedEx Ground, FedEx Services, and other FedEx operating companies into what will be called the Federal Express Corporation. According to Reuters, combining these segments is part of an overall plan to save the company \$4 billion by the end of 2025.

A direct competitor to United Parcel Service, FedEx's operations are “less efficient,” according to Chief Executive Officer Raj Subramaniam, who said, “We will be leaner, more agile, and better positioned to execute our mission to help customers compete and win with the world’s smartest logistics network.”

Subramaniam, who makes \$5,154,870 annually, said FedEx would use a “hybrid” employee and contractor delivery model similar to Amazon and UPS. Of course, these measures would enable the company to avoid paying benefits to contracted workers. The CEO made sure to mention that the company will remain non-union.

According to ZipRecruiter, the average FedEx employee makes just over \$45,000 a year. The most significant section of employees, about 23 percent of jobs, earn between \$24,500 and \$31,999 annually, and 12 percent only make between \$17,000 and \$24,499 annually. In comparison, founder and Chairman Fredrick Wallace Smith’s estimated net worth is \$4.6 billion.

UPS is also planning cuts and has already started by

laying off “22.4” workers, a hybrid position created in 2018. These workers share responsibility between working in the warehouse and driving. UPS and the Teamsters are in the process of negotiating a contract for more than 340,000 UPS workers, which expires on July 31. Approximately two-thirds of these employees are part-time and can only survive if they’re living with a parent or roommate.

In late February, 6,000 FedEx pilots began the process of voting to authorize a strike. On April 18, they started voting, and it will conclude on May 17. The union that represents them, the Air Line Pilots Association (ALPA), has been conducting mediated negotiations under terms of the Railway Labor Act (RLA) since October 2022. However, the talks have dragged on since May 2021. The RLA forces negotiations through delays and cooling-off periods with the goal being to prevent strike action. The corporatist ALPA has largely integrated itself with the state apparatus in order to suppress strikes and capitulate to the company.



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