



# Pennsylvania Conference of Teamsters

**Strength in Numbers 95,000**

William Hamilton, President & Eastern PA Legislative Coordinator – Joseph Molinero, Sec.-Treasurer & Western PA Legislative Coordinator – Tim O'Neill, Consultant – Dan Grace, Trustee & Legislative Advisor – Robert Baptiste, Esq. Legal Advisor

## LEGISLATIVE ACTION ALERT



amazon

### TROUBLE AHEAD?

## Amazon will pay \$10,000 and 3 months' salary to help workers start delivery businesses

By [Chris Isidore, CNN Business](#)©  
Mon May 13, 2019

New York (CNN Business©) Amazon wants its employees to quit their jobs and create their own delivery businesses. It turns out that's an expensive proposition. So Amazon is upping the ante.

In June 2018, Amazon announced US employees could apply to start their own small businesses, delivering Prime packages in Amazon-branded vans and uniforms.

The company hoped it could fill its huge need for people to bring packages from local Amazon sorting centers to the customers who ordered them.

Although Amazon ([AMZN](#)) said tens of thousands of employees expressed interest in the program, the company acknowledged Monday many of its workers couldn't afford the start-up money they needed to get the businesses off the ground.

So Amazon announced it will now give employees up to \$10,000 of the start-up money they will need, along with three months of their existing Amazon pay, as a way of getting the capital they need to get into the service.

"We received overwhelming interest from tens of thousands of individuals who applied to be part of the Delivery Service Partner program, including many employees," said Dave Clark, Amazon's senior vice president of worldwide operations. "We've heard from associates that they want to participate in the program but struggled with the transition."

Amazon has been trying to gear up an independent delivery service to handle packages now going to companies such as UPS ([UPS](#)) and FedEx ([FDX](#)) as well as the Postal Service.

Amazon said since it has started the delivery service, there have been more than 200 independent contractors who signed up to handle the deliveries. Between them they have hired thousands of local drivers to deliver

packages, according to Amazon. This year, the company plans to add hundreds more delivery contractors, including the former employees who take up the company on its offer.

---

Amazon ([AMZN](#)), which currently is leasing 40 cargo jets, could eventually have 100 planes running and estimates that the planned Amazon Air routes could overlap with more than two-thirds of the volume flown by UPS and FedEx.

That's bad news for both companies since Shanker said that UPS and FedEx each generate nearly 20% of their overall revenue from US air deliveries.

Amazon has made big investments to bulk up Amazon Air. In the past few years, it has bought stakes in two freight delivery airlines -- Air Transport Services Group ([ATSG](#)) and Atlas Air Worldwide Holdings ([AAWW](#)).

It also announced plans to invest \$1.5 billion in order to build an Amazon Air hub on more than 900 acres of land that it is leasing near the Cincinnati/Northern Kentucky International Airport. Amazon bought an additional 210 acres earlier this year.

There's a simple reason why Amazon will want to handle more of its own air deliveries. According to Shanker, Amazon could save between \$1 billion and \$2 billion next year. That works out to about 3% to 6% of its global shipping costs.