



SMALL PARCEL SHIPPING OUTLOOK 2022: NEW RATES, NEW COMPETITORS, NEW ENVIRONMENT



Our Panel



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STATE OF THE PARCEL MARKET



Parcel Market Areas of Struggle

Ports and
Airports

Warehouses

Returns

Capacity

Labor



Earnings Reports

UPS

FedEx

USPS



What Do General Rate Increases Mean for You?



2022 General Rate Increases

FedEx v. UPS At a Glance: U.S. Origin Domestic Services

U.S. Origin Domestic Service	FedEx	UPS
Announcement Date	9/20/2021	10/28/2021
Rate Increase Effective Date	1/3/2022	12/26/2021
Average U.S. Domestic Rate Increase	5.90%	5.90%
Average Priority / Next Day Package Rate Increase (US 48)	6.24%	6.24%
Average 2 Day Package Rate Increase (US 48)	4.85%	4.85%
Average 3 Day Package Rate Increase (US 48)	9.49%	9.50%
Average Ground / Home Delivery Rate Increase (US 48)	5.96%	5.80%
Average Ground Economy / SurePost - Ounces Rate Increase	7.40%	Not Released
Average Ground Economy / SurePost - Pounds Rate Increase	6.11%	Not Released
Residential Surcharge - Air	\$5.30 (7.07% increase)	\$5.35 (7.00% increase)
Residential Surcharge - Ground / Home Delivery	\$4.75 (9.20% increase)	\$4.85 (8.99% increase)
Ground Commercial Minimum	\$9.36 (6.85% increase)	\$9.36 (6.85% increase)
Delivery Area Surcharge - Air Commercial / Residential	\$3.55 (9.23% incr) / \$5.20 (10.64% incr)	\$3.55 (9.23% incr) / \$5.20 (10.64% incr)
Delivery Area Surcharge - Ground Commercial / Residential	\$3.40 (9.68% incr) / \$4.80 (11.63% incr)	\$3.40 (9.68% incr) / \$4.80 (11.63% incr)
Delivery Area Surcharge Extended - Air Commercial / Residential	\$3.85 (10.39% incr) / \$6.50 (10.17% incr)	\$3.85 (10.39% incr) / \$6.50 (10.17% incr)
Delivery Area Surcharge Extended - Ground Commercial / Residential	\$4.10 (10.81% incr) / \$6.50 (10.17% incr)	\$4.10 (10.81% incr) / \$6.50 (10.17% incr)
DAS, DAS Extended Zip Codes	No change from 2020	~3,700 changes, including 157 zips added
New Fuel Table Effective Date	11/1/2021	11/15/2021
New Fuel Table Ground and Air FSC Increase	1.75%	1.00%
Other Notable Domestic Increases or Changes	Double-digit increase to ~2 dozen Surcharges and Fees	Double-digit increase to ~2 dozen Surcharges and Fees
	\$1/Pkg Delivery and Returns Surcharge added for Ground Economy	2022 SurePost Rates not released with General Rate Increase
	Additional Handling and Oversize Surcharges now based on zone (following UPS change from 2021)	~2,700 zips in US 48 added to \$12 Remote Area Surcharge (moving from DAS Extended, ranges from \$4.10-\$6.50)
		Peak Surcharges will be renamed Peak/Demand Surcharges



2022 General Rate Increases

FedEx v. UPS At a Glance: U.S. Origin Int'l Services

U.S. Origin International Service	FedEx	UPS
Announcement Date	9/20/2021	10/28/2021
Rate Increase Effective Date	1/3/2022	12/26/2021
Average U.S. International Rate Increase	5.90%	5.90%
Average Int'l Priority/WW Express Export Pkg Rate Increase	5.38%	3.54%
Average Int'l Priority Express/WW Saver Export Package Rate Increase	New Service Added	3.84%
Average Int'l Economy/WW Expedited Export Package Rate Increase	11.14%	4.01%
Average Int'l Ground/Transborder Export Pkg Rate Increase	3.64%	3.26%
Average Int'l Priority/WW Express Import Pkg Rate Increase	5.45%	4.59%
Average Int'l Priority Express/WW Saver Import Package Rate Increase	New Service Added	4.59%
Average Int'l Economy/WW Expedited Import Package Rate Increase	8.43%	4.68%
Additional Handling - Dimension	\$21.50 (34.38% increase)	\$18.00 (12.50% increase)
Additional Handling - Weight	\$31.50 (23.53% increase)	\$18.00 (12.50% increase)
Additional Handling - Packaging	\$18.00 (28.57% increase)	\$18.00 (12.50% increase)
Oversize / Large Package Surcharge (Express/Air and Ground)	\$1145 (38.10% increase)	\$1145 (38.10% increase)
Residential Surcharge - Express/Air	\$5.30 (7.07% increase)	\$5.35 (7.00% increase)
Residential Surcharge - Ground	\$5.20 (8.33% increase)	\$5.20 (8.33% increase)
Unauthorized / Oversized	\$1,025 (11.41% increase)	\$1,025 (11.41% increase)
Other Notable Domestic Increases or Changes	<p>Out-of-Delivery-Area Surcharge (Express): Effective 01/03/22 - 01/16/22: Greater of \$45/shpmnt or \$0.45/lb (7.14% increase) Effective 01/17/22, Surcharge by Tier: Tier A: \$3.55/shpmnt Tier B: Greater of \$45/shpmnt or \$0.45/lb Tier C: Greater of \$59/shpmnt or \$0.59/lb Introduced FedEx International Priority Express time-definite delivery in 1-3 business days</p>	<p>Delivery Area Surcharge (Imports): \$3.55 (9.23% increase) Delivery Area Surcharge Extended (Imports): \$4.25 (10.39% increase) Extended Area and Remote Area Surcharges: Greater of \$45/shpmnt or \$0.45/lb (7.14% increase)</p>





NEW ENTRANTS IN THE PARCEL MARKET



More options?
Yes, but will they
work for you?

Couriers

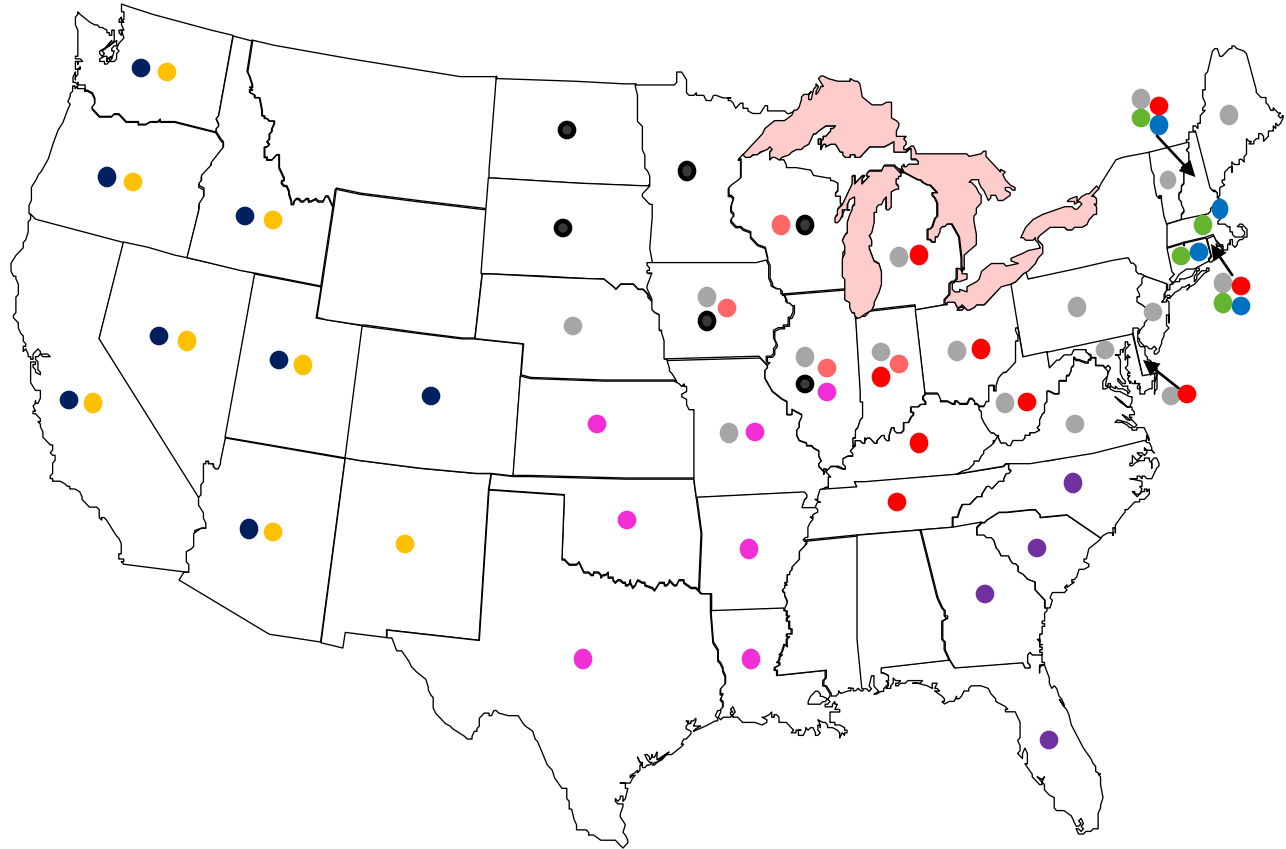
Retailers

Gig
Companies

Regionals



Regional Carriers





Why Diversify?

Capacity

Cost

Contingency Planning

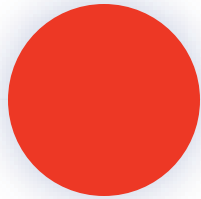




How Can Shippers Prepare for 2022



How to Prepare

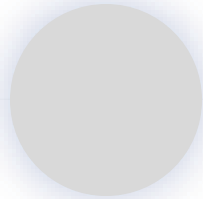


Equip Yourself With Knowledge

Understand the latest
GRIs and the impact
you can expect



How to Prepare



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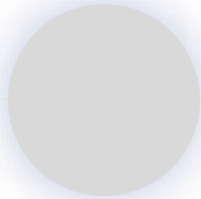


Utilize Proactive Business Intelligence

Be able to make
proactive v. reactive
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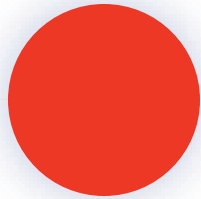


Be Versatile in 2022

Prepare to be
flexible and
diversify your
carrier mix



How to Prepare



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Questions for Our Panel



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