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

#### Our Panel



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## STATE OF THE PARCEL MARKET









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#### What Do General Rate Increases Mean for You?

Apr- May 2020

FedEx.
International Rate Increases



International Rate Increases
SurePost Rate Increase
Increase to Residential Delivery &
Oversize Package Surcharge

Jun 2020 Fed Ex.

New Temporary Surcharge SmartPost Rate Increase Increase to Residential Delivery &

Oversize Package

Jul 2020

March 2020

International Rate Increase

FedEx.

Money Back Guarantee Suspended Change to Signature Options



Freight Rate Increase
Increase to Freight Fuel
Change to Fuel Surcharge & Service Guarantee

Nov 2020

FedEx.
International Rate Increases

Temporary Surcharge become Peak Surcharge



International Rate Increases
Dec 2020



General Rate Increase
Ground Minimum Rate Increase
SurePost Rate Increase
Change to Additional Handling
Surcharge

Aug 2020

International Rate Increases
Aug- Oct 2020



International Rate Increases
SurePost Rate Increase

Peak Season begins month early
Oct 2020

FedEx.

Peak Season begins month early



**New Peak Surcharges** 

Feb 2021

FedEx. International Rate Increases Change to Residential Delivery



International Rate Increases
Apr- May 2021



International Rate Increases
Change to Additional Handling
Surcharge

Jan 2021

FedEx.
General Rate Increase
Freight & SmartPost Rate Increase
Increase to Additional Handling &
Oversize Package Surcharge
Change to Delivery Area Surcharge
New Late Payment Fee



Increase to Additional Handling & Large Package Surcharge Change to Delivery Area Surcharge

Change to Delivery Area Surcharg
Peak Season Surcharges extended



Shipping Rate Increases
New Oversize Package Surcharge

Sept - Aug 2021

FedEx, International Rate Increases August 2021



**Fuel Surcharge Increase** 

Jun 2021

Ground Economy Rate Increase Increase to Additional Handling & Residential Delivery Surcharge

Adjustments to Fuel Surcharge Jul 2021



Increase to Additional Handling & Large Package Surcharge

**Ground Economy Rate Increase** 

Increase to Fuel Surcharge,

Freight Over Length &

Extreme Length

October 2021

Nov 2021

Peak Season begins

Increase to Additional Handling, Oversize & Unauthorized Package Surcharge



Increase to Additional Handling, Large Package, Over Max Limit & Residential Package Surcharge



Holiday Price Increase
Rate Increases for Parcel
Select Lightweight,
Destination Sectional
Center Facility, Destination
Network Distribution
Center & Parcel Return
Service

Jan 2022

General Rate Increase
set to 5.9%
Ground Minimum
Rate Increase
New No Shipment
Tendered, Delivery &
Returns Surcharge
Change to Additional
Handling & Oversize
Package Surcharge



General Rate Increase Increase set to 5.9% Fuel Surcharge increased by 1.0 points on November 15<sup>th</sup>

2020 2021 2022



## 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%
	Double-digit increase to ~2 dozen	Double-digit increase to ~2 dozen
	Surcharges and Fees	Surcharges and Fees
	\$1/Pkg Delivery and Returns Surcharge	2022 <b>SurePost</b> Rates not released with
Other Notable Domestic Increases or Changes	added for <b>Ground Economy</b>	General Rate Increase
	Additional Handling and Oversize	~2,700 zips in US 48 added to \$12 <b>Remote</b>
	Surcharges now based on zone (following	Area Surcharge (moving from DAS
	UPS change from 2021)	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	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	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)
	Introduced FedEx International Priority Express time-definite delivery in 1-3 business days	

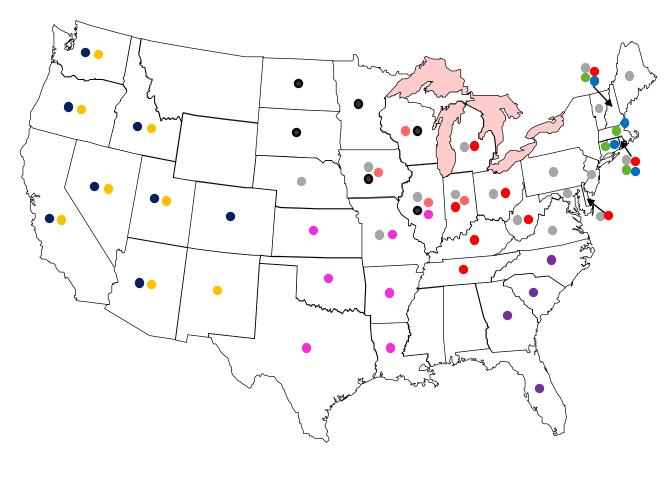


## NEW ENTRANTS IN THE PARCEL MARKET





## Regional Carriers















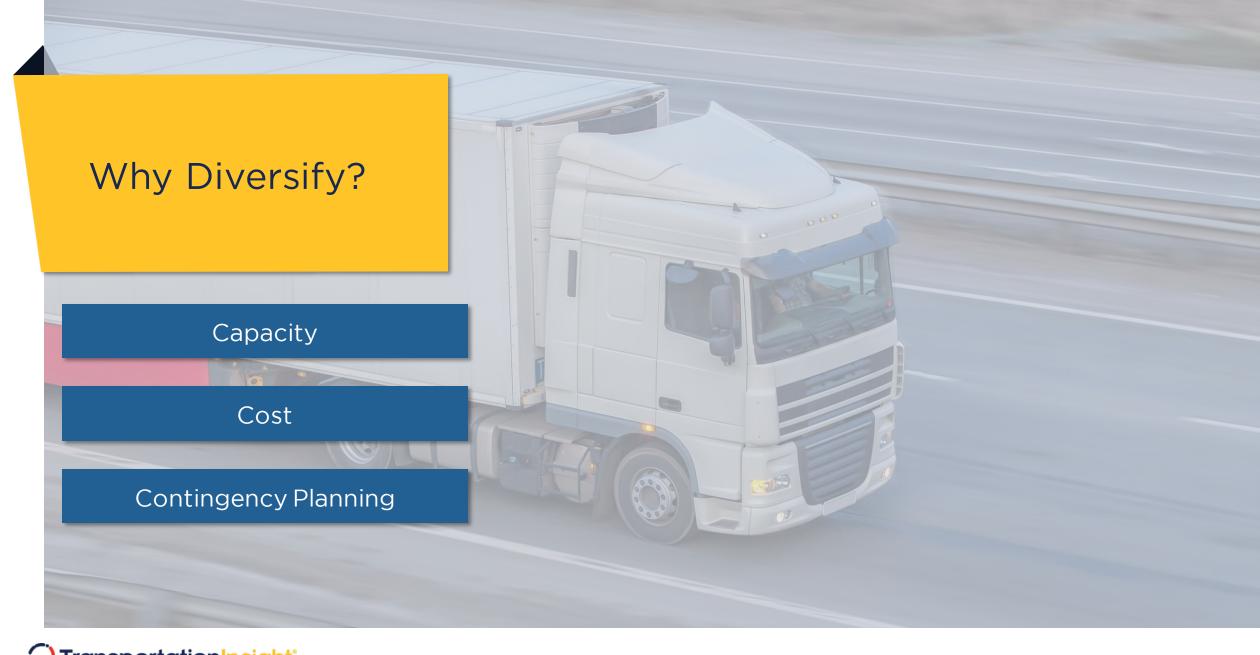












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## How Can Shippers Prepare for 2022





Equip Yourself With Knowledge

Understand the latest GRIs and the impact you can expect



○ TransportationInsight®



Understand the latest GRI's and the impact you can expect



Utilize Proactive Business Intelligence

Be able to make proactive v. reactive decisions



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Be Versatile in 2022

Prepare to be flexible and diversify your carrier mix





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### Questions for Our Panel



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## FOR MORE INFORMATION

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