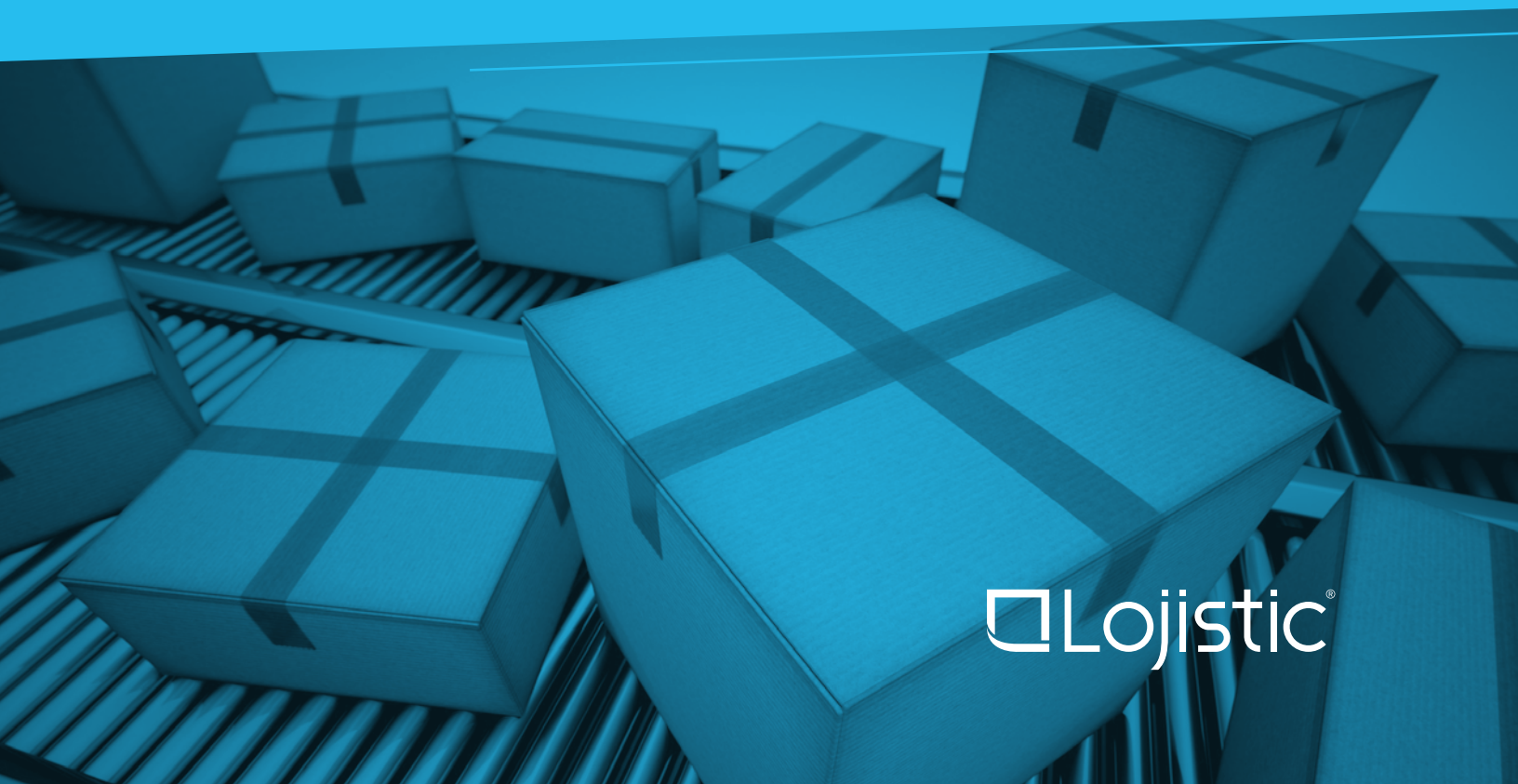
2022

ANNUAL CARRIER
GENERAL PRICE INCREASE



Lojistic®

Lojistic

2022 General Price Increase

Dear Parcel Shipper,

Over the past decade (2012 - 2022), UPS and FedEx ground tariff rates have increased **74.9%** while air tariff rates have increased **75%**. As usual, these numbers do not take into account escalating accessorials or the impact of the size-to-weight related charge changes both carriers have made.

GROUND SHIPPING RATES

↑ 74.9%*

HAVE INCREASED
OVER THE PAST DECADE

AIR SHIPPING RATES

↑ 75%*

HAVE INCREASED
OVER THE PAST DECADE

UPS

Effective Date:
December 26, 2021

Avg. Air Increase
5.9%

Avg. Ground Increase
5.9%

FedEx

Effective Date:
January 3, 2022

Avg. Air Increase
5.9%

Avg. Ground Increase
5.9%

How will the increased rates, surcharges and fees affect your profitability in 2022?

The advertised carrier increase can be misleading, as it is an average. The actual impact to your business will vary according to the characteristics that comprise your unique shipping profile (e.g. service level usage, zone density, billed vs actual weight, etc.) and distribution model. If your business relies on UPS and FedEx, there's a lot you can do to mitigate growing shipping expenses. Creating your free Lojistic account to quantify specific areas of overspend is a great first step. Get powerful insight into your historical shipping data, then use the cost savings analytics to take action. Your Lojistic account is your best first-line defense against the carriers, equipping you with intelligence to help proactively control and reduce your shipping expenses. If you'd like to discuss advanced strategies to help further nullify the rate increases, let's chat.

Best wishes in 2022.

Cheers,



Jared Fisher
Co-Founder & Executive Vice President
Lojistic

*combined UPS & FedEx average

AIR PRICE INCREASE YEAR TO YEAR

UPS		FedEx	
5.9%	2022	5.9%	2022
4.9%	2021	4.9%	2021
4.9%	2020	4.9%	2020
4.9%	2019	4.9%	2019
4.9%	2018	4.9%	2018
4.9%	2017	3.9%	2017
5.2%	2016	4.9%	2016
4.9%	2015	4.9%	2015
4.9%	2014	3.9%	2014
6.5%	2013	5.9%	2013
6.9%	2012	5.9%	2012

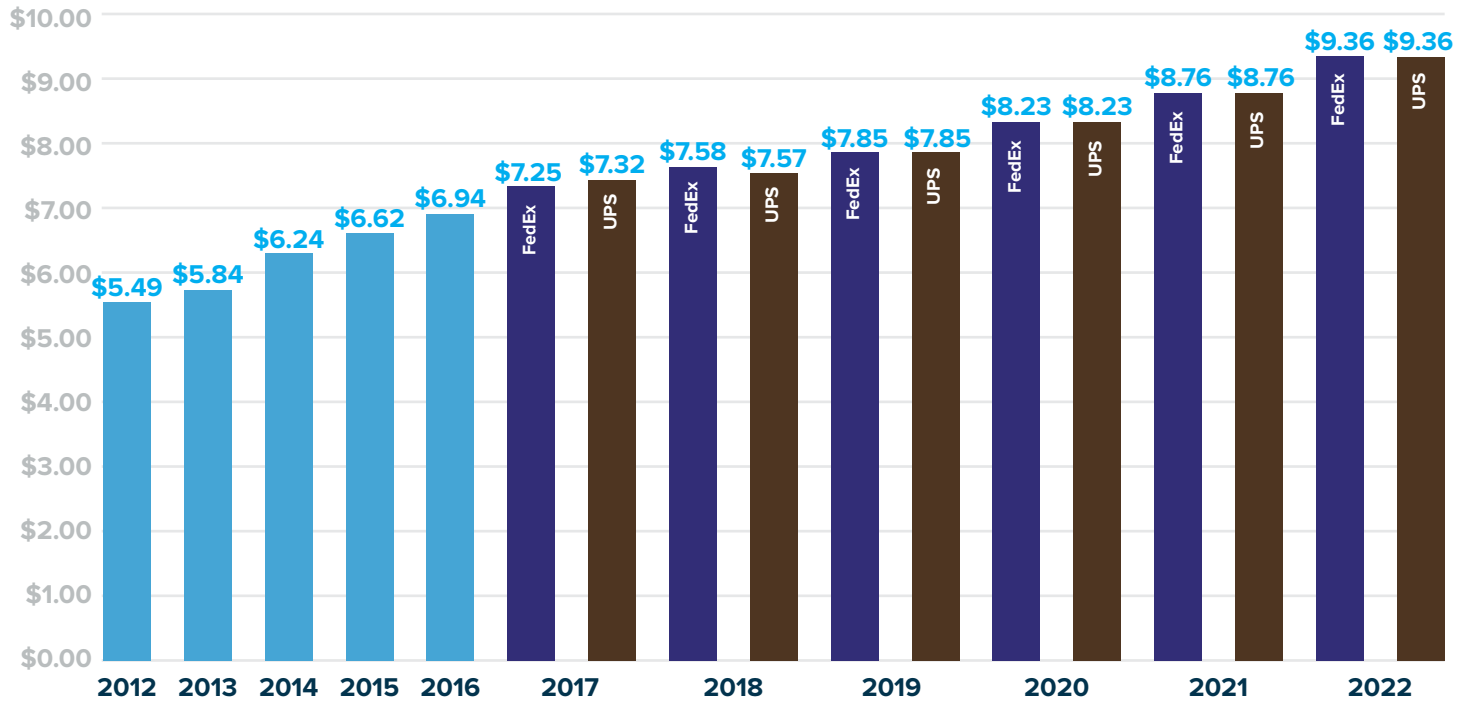
GROUND PRICE INCREASE YEAR TO YEAR

UPS		FedEx	
5.9%	2022	5.9%	2022
4.9%	2021	4.9%	2021
4.9%	2020	4.9%	2020
4.9%	2019	4.9%	2019
4.9%	2018	4.9%	2018
4.9%	2017	4.9%	2017
4.9%	2016	4.9%	2016
4.9%	2015	4.9%	2015
4.9%	2014	4.9%	2014
5.9%	2013	5.9%	2013
5.9%	2012	5.9%	2012

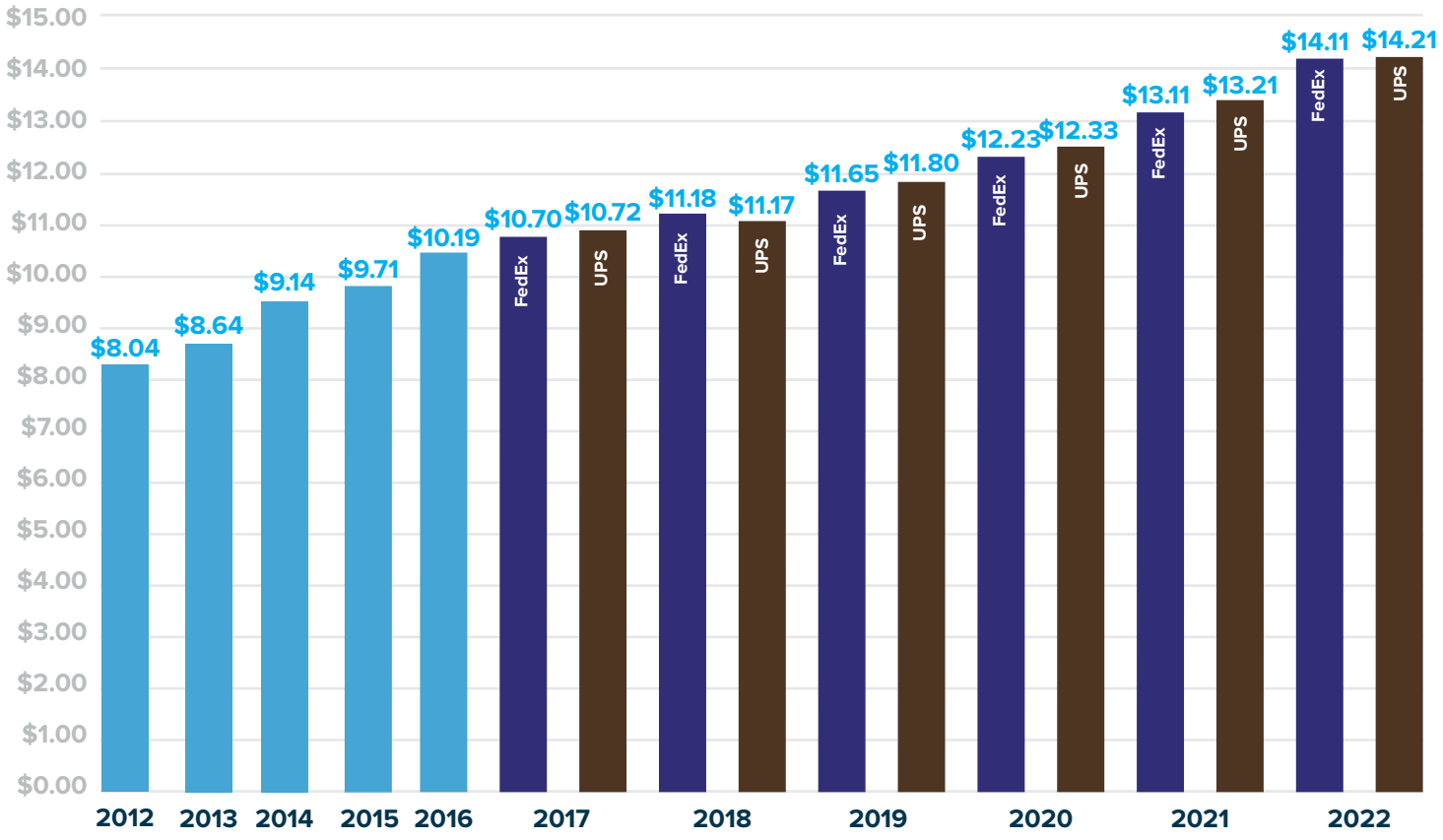
GROUND RESIDENTIAL FEE



GROUND COMMERICAL MINIMUM CHARGE



GROUND RESIDENTIAL MINIMUM CHARGE (INCLUDES RESIDENTIAL FEE)



UPS and FedEx both posted record profits in 2020. And unfortunately for the businesses that rely on one or more of these carriers, that trend continued throughout 2021. Despite rolling out several new mid-year surcharges, limiting a shipper's ability to file for late shipments, and posting consecutive historically profitable quarters, UPS and FedEx will raise their rates, once again, for 2022.

The 2022 General Price Increase (GPI) is 5.9% for both UPS and FedEx and applies only to the weight/zone rates for their Air, Ground and International services. The GPI will be made effective December 26, 2021 for UPS and January 3, 2022 for FedEx.

The advertised 5.9% increase can be misleading, as it is an average. A shipper's actual increase will vary according to weight/zone characteristics and service levels used. Additionally, the 5.9% increase does not factor in the increases to all accessorial surcharges, which are typically higher than the 5.9% average.

Here are some of the key takeaways from the 2022 GPI

As we've seen over the last few years, both carriers continue to focus on margin improvements, especially on the short-zone, lighter weight packages. This is evident in the 6.8% increase for Ground, Zone 2, 1 lb. shipments (increasing to $9.36 from $8.76).

Nearly all surcharges are increasing by more than 7%, and many are increasing by double digits.

FedEx has followed UPS and is moving to zone-based Additional Handling and Oversize surcharges.

UPS, once again, is revising the zip code ranges for which they assess their Delivery Area Surcharge and Extended Delivery Area Surcharges. Additionally, effective January 9, 2022 UPS will begin assessing a $12.00 Remote Area Surcharge for deliveries to certain ZIP Codes in the 48 contiguous states, as well as UPS On-Call Pickup requests in those ZIP Codes.

Both carriers continue to penalize shippers who ship large packages. The Unauthorized (FedEx) and Over Maximum (UPS) fees will increase 11.4% (increasing to $1,025 from $925).

UPS - Effective December 26, 2021

UPS Ground:
Ground rate increase announced at 5.9%.
Ground Commercial Minimum Charge: Increase of $0.60 (6.8%) from $8.76 to $9.36
Ground Residential Minimum Charge: Increase of $1.00 (7.6%) from $13.21 to $14.21

UPS Air & International:
Air & International rate increase announced at 5.9%

Surcharge & Accessorial Changes:
These changes apply to some of the more commonly seen surcharges and accessorial fees:
- Air Residential: Increase of $0.35 (7.0%) from $5.00 to $5.35
- Ground Residential: Increase of $0.40 (9.0%) from $4.45 to $4.85
- DAS Commercial Ground: Increase of $0.30 (9.7%) from $3.10 to $3.40
- DAS Commercial Air: Increase of $0.30 (9.2%) from $3.25 to $3.55
- DAS Commercial Ground Extended: Increase of $0.40 (10.8%) from $3.70 to $4.10
- DAS Commercial Air Extended: Increase of $0.40 (10.4%) from $3.85 to $4.25
- DAS Residential Ground: Increase of $0.50 (11.6%) from $4.30 to $4.80
- DAS Residential Air: Increase of $0.50 (10.6%) from $4.70 to $5.20
- DAS Residential Ground & Air Extended: Increase of $0.60 (10.2%) from $5.90 to $6.50
- Remote Area Surcharge (US 48): New as of 2022, $12.00
- Delivery Confirmation Signature Required: Increase of $0.35 (6.3%) from $5.55 to $5.90
- Delivery Confirmation Adult Signature Required: Increase of $0.45 (6.7%) from $6.70 to $7.15
- Address Correction Fee: Increase of $1.50 (8.3%) from $18.00 to $19.50
- Large Package Surcharge (International): Increase of $40.00 (38.1%) from $105.00 to $145.00
- Over Maximum Limits Charge: Increase of $105.00 (11.4%) from $920.00 to $1,025.00

Additional Handling Surcharge (Weight):
- Zone 2: Increase of $1.25 (5.2%) from $24.00 to $25.25
- Zone 3-4: Increase of $2.00 (7.8%) from $25.50 to $27.50
- Zone 5+: Increase of $3.50 (13.0%) from $27.00 to $30.50

Additional Handling Surcharge (Length & Width):
- Zone 2: Increase of $0.75 (5.0%) from $15.00 to $15.75
- Zone 3-4: Increase of $1.50 (9.4%) from $16.00 to $17.50
- Zone 5+: Increase of $2.50 (13.9%) from $18.00 to $20.50

Large Package Surcharge (Commercial):
- Zone 2: Increase of $10.00 (10.0%) from $100.00 to $110.00
- Zone 3-4: Increase of $15.00 (14.3%) from $105.00 to $120.00
- Zone 5+: Increase of $20.00 (16.7%) from $120.00 to $140.00

Large Package Surcharge (Residential):
- Zone 2: Increase of $10.00 (8.0%) from $125.00 to $135.00
- Zone 3-4: Increase of $15.00 (11.5%) from $130.00 to $145.00
- Zone 5+: Increase of $20.00 (13.8%) from $145.00 to $165.00

FEDEX - Effective January 3, 2022

FEDEX Ground:
Ground rate increase announced at 5.9%.
Ground Commercial Minimum Charge: Increase of $0.60 (6.8%) from $8.76 to $9.36
Ground Residential Home Delivery Minimum Charge: Increase of $1.00 (7.6%) from $13.11 to $14.11

FEDEX Air & International:
Air & International rate increase announced at 5.9%

Surcharge & Accessorial Changes:
These changes apply to some of the more commonly seen surcharges and accessorial fees:
- Express & Ground Residential: Increase of $0.35 (7.1%) from $4.95 to $5.30
- Home Delivery Residential: Increase of $0.40 (9.2%) from $4.35 to $4.75
- DAS Commercial Express: Increase of $0.30 (9.2%) from $3.25 to $3.55
- DAS Commercial Express Extended: Increase of $0.40 (10.4%) from $3.85 to $4.25
- DAS Commercial Ground: Increase of $0.30 (9.7%) from $3.10 to $3.40
- DAS Commercial Ground Extended: Increase of $0.40 (10.8%) from $3.70 to $4.10
- DAS Residential Express: Increase of $0.50 (10.6%) from $4.70 to $5.20
- DAS Residential Home Delivery: Increase of $0.50 (9.3%) from $4.30 to $4.80
- DAS Residential Express & Ground: Increase of $0.40 (9.1%) from $4.40 to $4.80
- DAS Residential Extended (Express & Ground): Increase of $0.60 (10.2%) from $5.90 to $6.50
- Address Correction Fee: Increase of $1.50 (8.3%) from $18.00 to $19.50
- Ground Unauthorized Charge: Increase of $105.00 (11.4%) from $920.00 to $1,025.00
- Delivery Signature (Signature Required): Increase of $0.35 (6.3%) from $5.55 to $5.90
- Delivery Confirmation Adult Signature Required: Increase of $0.45 (6.7%) from $6.70 to $7.15

Additional Handling Surcharge (Dimensions):
- Zone 2: Decrease of $0.25 (-1.6%) from $16.00 to $15.75
- Zone 3-4: Increase of $1.50 (9.4%) from $16.00 to $17.50
- Zone 5-6: Increase of $3.50 (20.9%) from $16.00 to $19.50
- Zone 7+: Increase of $5.50 (34.4%) from $16.00 to $21.50

Additional Handling Surcharge (Weight):
- Zone 2: Decrease of $0.25 (-1.0%) from $25.50 to $25.25
- Zone 3-4: Increase of $2.00 (7.8%) from $25.50 to $27.50
- Zone 5-6: Increase of $4.00 (15.7%) from $25.50 to $29.50
- Zone 7: Increase of $6.00 (23.5%) from $25.50 to $31.50

Oversize Charge Ground:
- Zone 2: Increase of $5.00 (4.8%) from $105.00 to $110.00
- Zone 3-4: Increase of $15.00 (14.3%) from $105.00 to $120.00
- Zone 5-6: Increase of $30.00 (28.6%) from $105.00 to $135.00
- Zone 7+: Increase of $40.00 (38.1%) from $105.00 to $145.00

Oversize Charge Home Delivery:
- Zone 2: Increase of $5.00 (3.8%) from $130.00 to $135.00
- Zone 3-4: Increase of $15.00 (11.5%) from $130.00 to $145.00
- Zone 5-6: Increase of $30.00 (23.1%) from $130.00 to $160.00
- Zone 7+: Increase of $40.00 (30.8%) from $130.00 to $170.00

Use Lojistic To Control And Reduce Shipping Costs



Create Your Lojistic Account For Free

- Evaluate and Mitigate Carrier Rate Increases
- Quantify How Much Your Current Contract Can Be Improved
- Optimize Shipping Rates and Reduce Carrier Fees
- Identify and Eliminate Overspend

SIGN UP FREE / SIGN IN >>

Lojistic

1225 Deer Valley Dr., #201
Park City, UT 84060
(800) 783-5753
hello@lojistic.com