



MARKET ADVISORY

How the UPS Strike Will Affect Shippers



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The upcoming potential UPS strike could have significant implications for small parcel shippers who rely on the company's services for their supply chain operations. With more than 400,000 employees, UPS is one of the world's largest package delivery companies, handling millions of shipments daily across the globe. However, tensions have been rising between the company and its unionized workforce over issues such as pay, benefits, and working conditions. As a result, the possibility of a labor strike looms large, with the contract set to expire on July 31 which could disrupt UPS's operations and affect its customers.

To mitigate these risks, small parcel shippers should prepare for the potential UPS strike by diversifying their carrier portfolio and contingency plans. They should evaluate alternative carriers, such as FedEx, DHL, or regional carriers, to determine their service capabilities, rates, and transit times. They should also review their contracts and terms of service with UPS and other carriers to understand their rights and liabilities in case of service disruptions or force majeure events.

In addition, FedEx has set a March 31 deadline for its customers to prioritize their volumes in the event of a Teamsters strike at UPS. This means that FedEx

will prioritize the volumes of those customers who make arrangements by that date, potentially leaving other shippers without guaranteed service. Small parcel shippers should be aware of this deadline and take action accordingly to secure their volumes and ensure their shipments are not left stranded.

Small parcel shippers should communicate proactively with their customers and suppliers about the potential impact of the UPS strike on their shipments and operations. They should provide updates, alternative options, and realistic expectations to avoid misunderstandings or disputes. They should also seek guidance and support from their logistics providers, industry associations, and legal advisors to navigate the complex logistics and regulatory landscape.

In conclusion, the upcoming potential UPS strike is a serious concern for small parcel shippers, who should take proactive measures to mitigate its impact on their business. By diversifying their carrier portfolio and contingency plans, communicating with their stakeholders, and seeking expert advice, they can minimize the risks and maintain their supply chain resilience.

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