



Below you will find a brief summary of the impact of the carrier rate increases and continued policy for 2017. As always this is expected; however, it comes once again at a time when the economy has not completely recovered; thus continuing to magnify its effect on shippers and your customers. The carriers clearly must protect their businesses and profitability in this environment; the last quarterly earnings reports has UPS profits projected to soar at a double digit pace, this is in comparison to 7% in 2012; the carriers once again proving that they can still perform in any environment. These rate increases as well as improved carrier efficiencies have fueled these results. The customer must also seek to protect their business. Being aware of the impact of rate increases; having the visibility of your shipping personality, while understanding the direct impact to you, and shipping smarter are the necessities of navigating through these difficult times. The continued increase in ecommerce has projected UPS and FedEx to unprecedented growth. You hardly ever see them advertise anymore as the internet does their marketing for them.

As the carriers continue to raise prices, as much as double digit percentages (depending on your shipping personality) in January 2017 (see below for the most significant carrier rate increase areas), we recommend that, when it comes time for carrier negotiations, you seek our assistance. Over the last several years, we have demonstrated savings through contract/rate analysis and RFP insights; without compromising carrier service standards.

The largest impact again for many shippers will be seen from the new dimensional weight rules on ground services commenced in January 2015 combined with the new FedEx dimensional rules in July 2016 and again in January 2017.

Our job, as your freight reconciliatory, is to keep you informed of any and all "happenings" with regards to your freight circumstances. We will continue to update you so that you stay informed on the carrier changes and we will make certain that you have the information necessary to work constructively and closely with your carriers.

Best wishes for wonderful 2017.

Best regards,

**Parcel Management Auditing and Consulting, Inc.**



## PMAC Rate Analysis Notes:

1. Carriers are continuing to discount heavier packages more because essentially the costs are the same; only incrementally different at best.
2. Longer air zones are raised higher than shorter zones. Less regional and ground competition.
3. If you have been diligent in converting air to GDS you will see higher increases in air services due to this. For more accurate budgeting PMAC can analyze the specific effects on your specific freight spends.
4. Residential deliveries are increasing due to less packages going to stores and directly to consumers. Average package weights are decreasing also for this reason. We are seeing UPS experimenting with services such as Access Point and My Choice in an attempt to reduce the amount of possible residential attempts on deliveries
5. Continual overlap in GDS and air services allow the carriers to keep the air services within GDS zones higher.
6. DIM factors have decreased significantly, resulting in higher billed weights
  - Domestic DIM factor moving from 194 to 166
  - International DIM factor moving from 166 to 139
  - All packages dimensionalized on ground under 5184 cubic inches
  - FedEx ground DIM factor moving to 139 in January 2017- see below example
  - Additional Handling surcharge June 1 2016 moving from 60 inches longest side to 48 inches longest side
7. DIM factors need to be offset by standardizing box sizes. PMAC can help
8. 2015 DIM Rules can affect rates for some shippers well into the double digits (see example below)

### **2011 DIMENSIONAL FACTORS continue to have a tremendous impact on your shipment weight valuations.**

Example: 2010 weighting for 35x13x25 package @194(current factor) = 58.63 lbs.

2011 weighting for 35x13x25 package @166 (new factor) = 68.52 lbs.

**NET weight increase of 16.7%!**

*Give us a call and have PMAC evaluate the complete cost impact; specific to your freight personality.*

## New 2015 DIM Weight Rules- “The Weight of Air”

UPS and FedEx in January of 2015 and thereafter have been re-defining the laws of physics and declaring that “air has weight”. It is surely a justifiable assertion when you are in the business of shipping toilet paper and paper towels; these items are large and bulky and take up more room in the line haul; this extra room could have been used for smaller and larger revenue generating parcels. However, if you are not in the business of shipping these items the slap on the wrist may not be justified on your wrist. Here’s how it will work. See below:

### **Let’s say this box is:**

12 x 10 x 8, this would = 960 cubic inches; we calculate the cubic inches by multiplying the length (12), the width (10) and the height (8).  $12 \times 10 \times 8 = 960$  cubic inches.

Today for any ground packages shipped with UPS and FedEx that are under 5184 cubic inches will not be subject to any dimensional weight pricing; what is dimensional weight pricing?

Dimensional weight pricing is being billed for the higher of the dimensional weight of the package or the actual weight of the package. Dimensional weight is determined by calculating the cubic inches and dividing by a “dimensional factor” or denominator. The current UPS and FedEx standard published DIM divisor (factor) is 166 on domestic packages.

So, back to our sample box; our sample box is 960 cubic inches; we divide this by 166 and we get 5.78 DIM weight.

$960/166 = 5.78$  pounds; this will round up to 6 pounds as dimensional weight. Previous to 2015 DIM Rules this package would have simply gone out at the actual weight of the package; in 2015 it will be billed at the greater weight of the DIM weight or the actual weight.





## FedEx New Dimensional Rules June 2016- Additional Handling Surcharge Criteria changes

June 1, 2016. Additional Handling Surcharge. A surcharge will be applied to any FedEx Ground package that measures greater than 48 inches but equal to or less than 108 inches along its longest side. Prior to June 1, 2016, the surcharge only applied to any FedEx Ground package that measured greater than 60 inches but equal to or less than 108 inches along its longest side.

### Impact of DIM Factor moving from 166 to 139 on ground packages

Freight Impact of 139 DIM from 166 Ground Packages. Both shipments are based on 2016 ground rates zone 8.		
	DIM Weight 166	DIM Weight 139
<b>L</b>	25	25
<b>W</b>	16	16
<b>H</b>	9	9
<b>Cubic Inches</b>	3600.00	3600.00
<b>Actual Weight</b>	10.00	10.00
<b>DIM Weight</b>	21.68	25.89
<b>DIM Weight Rounded</b>	22	26
<b>Published Rate</b>	29.62	31.19
<b>Net Freight Charge at 30% Discount</b>	18.84	21.83
<b>Difference in Freight Charges</b>	2.99	
<b>% Difference in Freight Charges</b>	15.87%	



## The Real Impact Analysis

<http://rates.ups.com/>

<http://www.fedex.com/us/shipping-rates/>

### Ground Rate Increases

- As expected the percent increase declined with higher weight packages over 90lbs
- The largest increases were for packages going to zones 6, 7 and 8

### Next Day Air Increase

- The highest increases overall were for zones 106
- The single largest increase was a zone 2 letter at 6.11%
- For NDA services the overall lowest increases were for Zones 102 and 103
- Next Day Air Saver Increases
- The highest increases overall were for zones 135
- The single largest increase was a zone 2 letter at 5.41%

### 2nd Day Air Increases

- The largest increases interestingly are in the zone 208 area as shippers continue to use ground zones to their advantage which resulted in this carrier pricing shift. The increases here were as high as almost 7% for LX thru 3 lbs. to zone 8.

### 3 Day Select Increases

- The highest average rate increases are in zones 302,303, and 304

**The highest percentage rate increases overall are on 3-day air services**

### Hundredweight Increases

With dramatic Hundredweight (CWT) rate increases shippers need to be cognizant of the costs/lb. and possible LTL alternatives.

Shippers should be aware that UPS Hundredweight (CWT) and FedEx Ground Multi-weight (MWT) programs were developed to convert LTL minimum rated shipments into Parcel deliveries. Now that both UPS and FedEx have LTL Operations (UPS Freight and FedEx Freight) expect the carriers to trend towards premium pricing to handle multiple piece shipments in their Parcel networks. Recent increases in CWT/MWT rates, average package weight minimums and accessorial charge increases related to traditional LTL shipments (e.g. Large Package Surcharges, HazMat fees, etc.) makes it essential to have alternative cost and service effective options at your disposal. With LTL carriers expanding their service areas and service options; it is essential to consider these and hybrid alternatives. PMAC can help!

[\(http://www.parcelmanagement.com/services/rate-contract-negotiation/\)](http://www.parcelmanagement.com/services/rate-contract-negotiation/)



## UPS/FEDEX Ground Rate Increases

Zones	2			3			4			5			6			7			8		
	2017	2016	% change	2017	2016	% change	2017	2016	% change	2017	2016	% change	2017	2016	% change	2017	2016	% change	2017	2016	% change
<b>1 Lbs.</b>	\$7.32	\$6.94	5.48%	\$8.00	\$7.58	5.54%	\$8.22	\$7.79	5.52%	\$8.58	\$8.13	5.54%	\$8.88	\$8.42	5.46%	\$9.00	\$8.53	5.51%	\$9.14	\$8.66	5.54%
<b>2</b>	\$8.07	\$7.66	5.35%	\$8.70	\$7.25	5.45%	\$9.39	\$8.91	5.39%	\$9.59	\$9.1	5.38%	\$10.00	\$9.49	5.37%	\$10.21	\$9.69	5.37%	\$10.51	\$9.96	5.52%
<b>3</b>	\$8.20	\$7.78	5.40%	\$9.06	\$8.60	5.35%	\$9.90	\$9.40	5.32%	\$10.20	\$9.68	5.37%	\$10.63	\$10.08	5.46%	\$10.99	\$10.42	5.47%	\$11.62	\$11.01	5.54%
<b>4</b>	\$8.45	\$8.03	5.23%	\$9.27	\$8.81	5.22%	\$10.37	\$9.85	5.28%	\$10.83	\$10.29	5.25%	\$11.17	\$10.59	5.48%	\$11.70	\$11.09	5.50%	\$12.46	\$11.8	5.59%
<b>5</b>	\$8.49	\$8.07	5.20%	\$9.34	\$8.88	5.18%	\$10.74	\$10.21	5.19%	\$11.28	\$10.68	5.62%	\$11.56	\$10.93	5.76%	\$12.17	\$11.5	5.83%	\$13.10	\$12.38	5.82%
<b>6</b>	\$8.78	\$8.35	5.15%	\$9.60	\$9.13	5.15%	\$10.88	\$10.34	5.22%	\$11.51	\$10.89	5.69%	\$11.84	\$11.19	5.81%	\$12.47	\$11.79	5.77%	\$13.20	\$12.48	5.77%
<b>7</b>	\$9.24	\$8.81	4.88%	\$9.82	\$9.36	4.91%	\$11.04	\$10.52	4.94%	\$11.76	\$11.13	5.66%	\$12.05	\$11.39	5.79%	\$12.80	\$12.1	5.79%	\$13.71	\$12.96	5.79%
<b>8</b>	\$9.39	\$8.97	4.68%	\$10.04	\$9.59	4.69%	\$11.20	\$10.69	4.77%	\$11.99	\$11.34	5.73%	\$12.42	\$11.47	5.79%	\$13.19	\$12.47	5.77%	\$14.18	\$13.4	5.82%
<b>9</b>	\$9.65	\$9.23	4.55%	\$10.23	\$9.82	4.18%	\$11.32	\$10.83	4.52%	\$12.08	\$11.43	5.69%	\$12.69	\$11.99	5.84%	\$13.74	\$12.99	5.77%	\$15.07	\$14.24	5.83%
<b>10</b>	\$9.82	\$9.44	4.03%	\$10.25	\$9.86	3.96%	\$11.44	\$11.00	4.00%	\$12.49	\$11.75	5.70%	\$13.08	\$12.36	5.83%	\$14.55	\$13.75	5.82%	\$16.07	\$15.19	5.79%

## Additional Rate Comparisons

UPS Service	2016 Rate Increase	2017 Rate Increase	2016 Vs 2017
<b>Next Day Air</b>	4.69%	4.81%	0.12%
<b>Next Day Air Saver</b>	6.05%	4.67%	-1.38%
<b>2Day AM</b>	7.60%	5.26%	-2.34%
<b>2Day</b>	7.67%	5.91%	-1.76%
<b>UPS 3 Day Select</b>	6.5%	5.77%	-0.76%
	<b>GROUND Service by Weight</b>	<b>GROUND Service by Weight</b>	<b>GROUND Service by Weight</b>
<b>1-5 Lbs</b>	5.80%	5.42%	-0.38%
<b>6-10 Lbs</b>	5.50%	5.31%	-0.19%
<b>11-15 Lbs</b>	5.40%	5.20%	-0.20%
<b>16-20 Lbs</b>	5.00%	5.28%	0.28%
<b>21-50 Lbs</b>	4.80%	5.60%	0.80%
<b>51-70 Lbs</b>	4.00%	5.41%	1.41%
<b>71-100Lbs</b>	3.60%	5.02%	1.42%
<b>101-150Lbs</b>	3.00%	4.04%	0.28%



Surcharge Name	Applicable Services	2016 New Costs	2016 New Costs	2017 New Costs
<b>Additional Handling Surcharge</b>	U.S. express package services and U.S. and international ground services	\$9.00	\$10.50	\$10.85
<b>Address Correction</b>	U.S. express package services; international express package and freight services; and U.S. and international ground services	\$12.50	\$13.00	\$13.40
<b>COD</b>	All Service	\$13.00	\$13.00	\$13.40
<b>Delivery Area Surcharge</b>	U.S. express package services and U.S. ground services (residential)	\$3.35	\$3.70	\$3.80
	U.S. express package services (commercial, extended commercial)	\$2.35	\$2.45	\$2.55
	U.S. ground services (commercial, extended commercial)	\$2.20	\$2.30	\$2.40
	Remote area surcharge Alaska	\$20.00	\$22.50	\$23.50
	Remote Area surcharge Hawaii	\$6.50	\$6.75	\$7.75
	Maximum charge with UPS Express Multiweight (residential, commercial, extended residential, extended commercial) or UPS Ground Multiweight (residential, extended residential, UPS Home Delivery extended residential) pricing	\$11.80	\$12.30	\$12.70
<b>Delivery Confirmation Fee</b>	U.S. express freight services	\$3.85	\$4.25	\$4.50

## Most Common Accessorial Charge Increases

ACC Charge	ADC	AHC	DAS RES Air	DAS RES Ground	DAS COM Ground	RES Air	RES Ground
Rate	\$13.40	\$10.85	\$3.70	\$3.25	\$2.40	\$3.95	\$3.40

## UPS 2017 Rate Change Information

### November 18, 2016 Update

(Applies to Daily and Retail Rates unless otherwise noted)

### Additional Handling Surcharge

- Effective January 8, 2017, the Additional Handling charge will apply to any package with the longest side exceeding 48 inches, instead of 60 inches for all UPS Air, UPS 3 Day Select® and International packages.



### Area Surcharges

- A complete listing of eligible U.S. postal codes is now available for download.

### Customs Brokerage

- The Disbursement fee minimum will increase \$2.00.
- Partner Government Agency Clearance fee will increase \$3.00.
- Complex Entry fee will increase \$2.00.
- Entry-Line Charge after First Three Lines will increase \$0.10.
- Entry Preparation charges will increase \$1.25 for values of \$800.01 to \$1,250.00, \$1.50 for values of \$1,250.01 to \$2,500.00, and \$0.05 for each additional \$1,000 of value over \$2,500.00.

### Dimensional Weight

- Effective January 8, 2017, UPS will change the dimensional weight calculation for U.S. domestic services and UPS Standard from Canada import packages subject to UPS Daily rates.
- U.S. domestic services packages that are greater than 1,728 cubic inches will use a 139 divisor to calculate dimensional weight. U.S. domestic services packages less than or equal to 1,728 cubic inches will continue to use a 166 divisor to calculate dimensional weight.
- UPS Standard from Canada import shipments will use a 139 divisor to calculate dimensional weight.

### Fuel Surcharge

- Effective February 6, 2017, U.S. fuel surcharge will be adjusted weekly.
- Effective February 6, 2017, U.S. Import fuel surcharge percentage will increase and be assessed independently of U.S. Air and Export fuel surcharge.

### Hazardous Materials and International Dangerous Goods

- The Hazardous Materials charges for U.S. UPS Ground Service will increase \$2.00, and will increase \$2.50 for U.S. UPS Air Services and UPS 3 Day Select®.
- The International Dangerous Goods charges for UPS® Standard to/from Canada will increase \$2.50 per shipment or \$0.25 per package.
- The International Dangerous Goods charges for UPS International Air Services will increase \$3.75 per shipment or \$0.45 per package.
- The International Dangerous Goods charges for UPS Worldwide Express Freight® shipments will increase \$3.75 per shipment or \$0.02 per pound.

### Over Maximum Limits

- The Over Maximum Limits charge will increase \$40.00.
- The Oversize Pallet Handling Surcharge will increase \$40.00.

### Residential Surcharges

- The Residential Surcharge will apply for all UPS International Air and UPS Standard Services.
- The Residential Surcharge for U.S. UPS® Ground Service and UPS® Standard to/from Canada and Mexico shipments will increase \$0.15.
- The Residential Surcharge for U.S. UPS Air Services, UPS 3 Day Select and UPS International Air Services will increase \$0.35.

### September 1, 2016 Update

The following changes will be made to the Daily Rates package surcharges listed below, effective December 26, 2016. See the applicable 2017 UPS® Rate and Service Guide, available December 26, 2016, for further details.



### Additional Handling Surcharge

- The Additional Handling charge will increase \$0.35.
- Effective January 8, 2017, the Additional Handling Surcharge will apply to UPS SurePost® packages.

### Address Corrections

- The Address Correction surcharge will increase \$0.40.
- Missing/Invalid Account Number or Refusal Fee and Chargeback for Consignee Billing Shipments will increase \$0.40.

### Area Surcharges

- For packages delivered to certain ZIP Codes™ within the 48 contiguous states:
  - The Delivery Area Surcharge applied to commercial extended addresses for all UPS Services will increase \$0.10.
  - The Delivery Area Surcharge applied to residential addresses for all UPS Services will increase \$0.10.
  - The Delivery Area Surcharge applied to residential extended addresses for all UPS Services will increase \$0.20.
  - The Delivery Area Surcharge for UPS Hundredweight Service® will increase \$0.40.
- For packages delivered to certain ZIP Codes within Alaska and Hawaii:
  - The Remote Area Surcharge applied to Alaska will increase \$1.00, and for Hawaii will increase \$0.25.
- For international import packages delivered to certain ZIP Codes in the 48 contiguous states:
  - The Delivery Area Surcharge and Delivery Area Extended Surcharge will increase \$0.10.

### C.O.D

- The charge for C.O.D will increase \$0.40.

### Delivery Confirmation

- The charges for Delivery Confirmation Signature Required and Delivery Confirmation Adult Signature Required will increase \$0.25.

### UPS Delivery Intercept®

- The charge for UPS Delivery Intercept® request will increase \$0.50 for requests made electronically and \$0.70 for requests made by telephone.

### Large Package Surcharge

- The Large Package Surcharge will increase \$2.50.

### UPS On-Call Pickup®

- Future Day On-Call Pickup® will increase \$0.15.
- Same Day On-Call Pickup® will increase \$0.20.
- The Residential Surcharge for a UPS On-Call Pickup request for will increase \$0.15.
- The Area Surcharge for a UPS On-Call Pickup request from certain ZIP Codes with the 48 contiguous states will increase \$0.10 for residential addresses and \$0.20 for extended residential addresses.
- The Alaska Remote Area Surcharge for a UPS On-Call Pickup® request will increase \$1.00 and the Hawaii Remote Area Surcharge for a UPS On-Call Pickup® request will increase \$0.25.





### Residential Surcharges

- The Residential Surcharge for a UPS Hundredweight Service® shipments will increase \$1.30 and the Residential Surcharge for UPS Worldwide Express Freight® shipments will increase \$5.00.

### Scheduled Pickup

- The weekly charge assessed for Daily, Daily On-Route, and Day-Specific 4 Day Pickup service will increase \$0.40 for customers with billing totals of \$75.00 or more per week and \$0.80 for customers with billing totals less than \$75.00 per week.
- The weekly charge assessed for Day-Specific 3 Day will increase \$0.35 for customers with billing totals of \$75.00 or more per week and \$0.45 for customers with billing totals less than \$75.00 per week.
- The weekly charge assessed for UPS Smart Pickup®, Day-Specific 2 Day and Day-Specific 1 Day Pickup will increase \$0.35.

## FedEx Express and FedEx Ground

The following surcharge changes will take effect Jan. 2, 2017, unless otherwise noted, for FedEx Express® and FedEx Ground® services.\*

Surcharge Name	Applicable Services	2016	2017
<b>Additional Handling Surcharge</b>	U.S. express package services and U.S. and international ground services	\$10.50 per package	\$11 per package
	International express package services	\$10.50 per shipment	\$11 per shipment
	U.S. express freight services	\$120 per piece, skid or pallet	\$130 per piece, skid or pallet
	International express freight services	\$120 per shipment	\$130 per shipment
<b>Address Correction</b>	U.S. express package services; international express package and freight services; and U.S. and international ground services	\$13 per correction	\$14 per correction
	U.S. express freight services	\$70.70 per correction	\$75 per correction
	Maximum charge with FedEx Express Multiweight® pricing	\$91 per shipment	\$98 per shipment
	Maximum charge with FedEx Ground Multiweight® pricing	\$41.40 per shipment	\$44.40 per shipment
<b>Alaska and Hawaii Pickup or Delivery</b>	FedEx SameDay®	\$25 per shipment	\$75 per shipment



Surcharge Name	Applicable Services	2016	2017
<b>Dangerous Goods (accessible)</b>	FedEx First Overnight®, FedEx Priority Overnight®	\$85 per package	\$90 per package
	FedEx First Overnight® Freight, FedEx 1Day® Freight	Greater of \$91 per shipment or \$0.72 per lb.	Greater of \$96 per shipment or \$0.76 per lb.
	International express package and freight services	Greater of \$134.50 per shipment or \$0.73 per lb.	Greater of \$142 per shipment or \$0.77 per lb.
<b>Dangerous Goods (inaccessible)</b>	U.S. express package services	\$42.50 per package	\$45 per package
	U.S. express freight services	Greater of \$42 per shipment or \$0.28 per lb.	Greater of \$44 per shipment or \$0.29 per lb.
	International express package and freight services	Greater of \$66.25 per shipment or \$0.36 per lb.	Greater of \$70 per shipment vor \$0.38 per lb.
<b>Delivery Area Surcharge</b>	U.S. express package services, FedEx Ground (residential)	\$3.70 per package	\$3.90 per package
	U.S. express package services and U.S. ground services (extended residential)	\$4 per package	\$4.20 per package
	U.S. express package services (commercial, extended commercial)	\$2.45 per package	\$2.60 per package
	FedEx Ground (commercial, extended commercial)	\$2.30 per package	\$2.45 per package
	Express Alaska package services (residential, commercial)	\$22.50 per package	\$24 per package
	Express Hawaii package services (residential, commercial)	\$6.75 per package	\$7 per package
	FedEx Home Delivery® (residential)	\$3.15 per package	\$3.35 per package
	Maximum charge with FedEx Express Multiweight (residential, commercial, extended residential, extended commercial) or FedEx Ground Multiweight (residential, extended residential, FedEx Home Delivery extended residential) pricing	\$12.30 per shipment	\$12.90 per shipment
	Maximum charge with FedEx Ground Multiweight pricing (commercial, extended commercial, FedEx Home Delivery residential)	\$11.50 per shipment	\$12.20 per shipment



Surcharge Name	Applicable Services	2016	2017
<b>Delivery Reattempt Charge</b>	U.S. express freight services	Greater of \$55 per shipment or \$0.06 per lb.	Greater of \$57 per shipment or \$0.062 per lb.
<b>Extended Service Area Delivery</b>	U.S. express freight services	\$120 per shipment	\$125 per shipment
<b>Extended Service Area Pickup</b>	U.S. express freight services and FedEx International Premium®	\$120 per shipment	\$125 per shipment
<b>Extra Services Charge</b>	U.S. express freight services and FedEx International Premium	\$80 per handler hour (\$80 minimum)	\$85 per handler hour (\$85 minimum)
<b>FedEx® Collect on Delivery (C.O.D.)</b>	U.S. express package services	\$12.50 per package	\$13 per package
	U.S. express freight services	\$68 per shipment	\$70 per shipment
	Maximum charge with FedEx Express Multiweight	\$87.50 per shipment	\$91 per shipment
<b>FedEx® Delivery Signature Options</b>	U.S. express package services; U.S. and international ground services	Adult Signature Required: \$5.25 per package Direct Signature Required, Indirect Signature Required: \$4.25 per package	Adult Signature Required: \$5.50 per package Direct Signature Required, Indirect Signature Required: \$4.50 per package
	International express package services	Adult Signature Required: \$5.25 per shipment Direct Signature Required, Indirect Signature Required: \$4.25 per shipment	Adult Signature Required: \$5.50 per shipment Direct Signature Required, Indirect Signature Required: \$4.50 per shipment
	Maximum charge with FedEx Express Multiweight and FedEx Ground Multiweight pricing	Adult Signature Required: \$36.75 per shipment Direct Signature Required, Indirect Signature Required: \$29.75 per shipment	Adult Signature Required: \$38.50 per shipment Direct Signature Required, Indirect Signature Required: \$31.50 per shipment
<b>FedEx ExpressTag®</b>	U.S. express package services	\$4.50 per package	\$5 per package
<b>FedEx Ground® C.O.D.</b>	FedEx Ground, international ground service	\$12.50 per package	\$13 per package
	Maximum charge with FedEx Ground Multiweight pricing	\$87.50 per shipment	\$91 per shipment



Surcharge Name	Applicable Services	2016	2017
<b>FedEx Ground® Electronic C.O.D. (E.C.O.D.)</b>	FedEx Ground	\$12.50 per package	\$13 per package
	Maximum charge with FedEx Ground Multiweight pricing	\$87.50 per shipment	\$91 per shipment
<b>Ground Unauthorized Package Charge</b>	Ground services	\$110 per package	\$115 per package
<b>Ground Weekly Pickup Fee</b>	Ground services	\$12.50 per week (invoiced weekly shipping charges of \$75 or more)	\$13 per week (invoiced weekly shipping charges of \$75 or more)
		\$25 per week (invoiced weekly shipping charges of less than \$75)	\$26 per week (invoiced weekly shipping charges of less than \$75)
<b>Hazardous Materials</b>	FedEx Ground	\$30 per package	\$32 per package
<b>Inside Delivery Charge</b>	U.S. express freight services	Greater of \$55 per shipment or \$0.06 per lb.	Greater of \$94 per shipment or \$0.061 per lb.
<b>Inside Pickup Charge</b>	U.S. express freight services and FedEx International Premium	Greater of \$90 per shipment or \$0.059 per lb.	Greater of \$94 per shipment or \$0.061 per lb.
<b>International Out-of-Delivery-Area Surcharge</b>	International express package services, FedEx International Priority® Freight, FedEx International Economy® Freight	Greater of \$30 per shipment or \$0.30 per lb.	Greater of \$34 per shipment or \$0.34 per lb.
<b>International Out-of-Pickup-Area Surcharge</b>	International express package services, FedEx International Priority Freight, FedEx International Economy Freight (U.S. import-rated shipments only, for all services)	Greater of \$30 per shipment or \$0.30 per lb.	Greater of \$34 per shipment or \$0.34 per lb.
<b>Metro Service Area Delivery</b>	U.S. express freight services	\$120 per shipment	\$125 per shipment
<b>Metro Service Area Pickup</b>	U.S. express freight services and FedEx International Premium	\$120 per shipment	\$125 per shipment
<b>Missing or Invalid Account Number (including account number correction)</b>	U.S. and international express package and freight services, U.S. and international ground services	\$13 per shipment	\$14 per shipment
<b>Oversize Charge</b>	U.S. express package services and U.S. and international ground services	\$67.50 per package	\$72.50 per package
<b>Payer Rebiling</b>	U.S. and international express package services and U.S. express freight services	\$13 per shipment	\$14 per shipment



Surcharge Name	Applicable Services	2016	2017
<b>Reroute of Shipment</b>	U.S. express package services	\$13 per package	\$14 per package
	U.S. express freight services	\$70.70 per shipment	\$75 per shipment
	Maximum charge with FedEx Express Multiweight pricing	\$91 per shipment	\$98 per shipment
<b>Residential Delivery Charge</b>	U.S. express package services and U.S. and international ground services	\$3.65 per package	\$3.85 per package
	International express package services (to Canada, and U.S. import-rated shipments from all origins)	\$3.65 per shipment	\$3.85 per shipment
	Maximum charge with FedEx Express Multiweight or FedEx Ground Multiweight pricing	\$31.60 per shipment	33.30 per shipment
	FedEx Home Delivery	\$3.25 per package	\$3.45 per package

\*Please check your FedEx shipping agreement to determine the net impact of these changes on your shipping costs. Please consult the FedEx Service Guide for additional details regarding applicable services.

## Carrier Rate Increase and 2016 Rate Links:

### UPS:

<http://rates.ups.com/surcharges.html>

### FedEx:

<http://www.fedex.com/us/shipping-rates/surcharges-and-fees.html>

### USPS:

<http://pe.usps.com/>

## Address Correction Increases

Address correction fees can be crippling when it comes to freight management and cost control. Please ask how PMAC can assist in cleaning up bad addresses from your manifest system thereby making them USPS compliant and exempted from UPS/FedEx address correction fees. We have been instrumental in handling many data specific projects for our customers.

PMAC's web reporting tools will at the click of a button allow you to see addresses that continue to be troublesome for you; you can then update your manifest system and eliminate these costs for good. Please reach out and ask us how.

These rate and charge increases can have a tremendous impact on your bottom line. Please contact PMAC and have us evaluate how these cost changes will impact your business.

Please contact us at: [631-847-0596](tel:631-847-0596) • [Info@pmacinc.com](mailto:Info@pmacinc.com) • [RMichals@pmacinc.com](mailto:RMichals@pmacinc.com) • [www.parcelmanagement.com](http://www.parcelmanagement.com)