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parcel management auditing and consulting

2023 FREIGHT TRENDS

The year 2023 will mark the year the carriers found opportunity for the largest rate hikes in history, while continuing to act with complete service impunity. For the most part service refunds were eliminated, carrier failures soared, customer service was met with a bit of compassion; this compassion has since evaporated. Carriers had us believing they were operating under some umbrella of assault. Still have not seen a UPS or FedEx driver out of breath or miss their “normal” delivery times in my area. Raising prices, while optimizing routes combined with service impunity is the new parcel order. Deliver the air with the ground; simple! It is a formula to kill for but still the economy is shredding the delivery market. Package counts decimated and in decline over 20% year over year and the carriers are “buying” business. January 2023 and beyond will be the time again to push back hard on carriers’ tyrannical rate increases and service declines.

PMAC Rate Analysis Notes:

1. Carriers are continuing to discount heavier packages more because essentially the costs are the same; only incrementally higher at best.
2. Longer air zones are raised higher than shorter zones. Less regional and ground competition.
3. Residential deliveries are increasing due to less packages going to stores and directly to consumers.
4. Average package weights are decreasing also for this reason. We are seeing UPS expanding 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 need to be offset by standardizing box sizes. PMAC can help.

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

Example: 2022 weighting for 35 X 13 x 25 package @166(Factor) = 68.52 lbs.

2023 weighting for 35 x 13 x 25 package @139(Factor) = 81.83 lbs. NET weight increase of 19.42%!

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

DIM Weight Rules – “The Weight of Air”

UPS and FedEx in January of 2015 and thereafter have been redefining 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 equal 960 cubic inches (CI). Cubic inches = length times width times height.

Today for any ground packages shipped with UPS and FedEx that are less than 5184 CI will not be subject to 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 then dividing by a “dimensional factor” or denominator. The current UPS and FedEx standard published DIM divisor (factor) is 139 on domestic packages.

So, back to our sample box (960 CI); divide the cubic inches by the standard published DIM divisor (139) and get 6.90 lbs. dim weight. This will get rounded up to 7 pounds as dimensional weight. Previous to the 2015 DIM Rules, this package would have gone out at the actual weight of the package. Since 2015, it will now be billed at the greater weight of the DIM weight or the actual weight.

FedEx/UPS Dimensional Rules Continue to Have a Significant Impact

Continued Additional Handling and Large Package Surcharge Criteria have become extremely complicated. Please call PMAC to see how it affects you.

Sample of Impact of DIM Factor difference of 139 to 166 on ground packages

Freight Impact of 139 DIM from 166 Ground Packages Both shipments based on 2023 ground rates zone 8.		
	DIM Weight 166	DIM Weight 139
L	25	25
W	16	16
H	9	9
Cubic Inches	3600.00	3600.00
Actual Weight	10.00	10.00
DIM Weight	21.68	25.89
DIM Weight Rounded	22	26
Published Rate	38.91	45.91
Net Freight Charge at 30% Discount	38.91 minus 30% \$27.24	45.91 minus 30% \$32.14
Difference in Freight Charges	\$4.90	
% Difference in Freight Charges	12.6% <i>*Note: this difference was based on 2023 published rates</i>	



The Real Impact Analysis

<https://www.ups.com/us/en/shipping/rates-update.page>

<https://www.fedex.com/en-us/shipping/current-rates.html>

UPS Largest Rate Increases

Next Day Air

Zone 8 average increase of 7.73%

Zone 2, LX. Increase, 7.91%

Zone 2, 1lb. Increase, 8.52%

Next Day Air Saver

Zones 7 and 8 average increase of 7.33%

Zone 2, LX. Increase, 7.53%

Zone 2, 1lb. Increase, 8.50%

2nd. Day Air

Zone 5 average increase of 8.88%

Ground

Zones 7 and 8 average increase of 8.04%

Zone 2, 1lb. Increase, 7.91%



UPS Ground Rate Increases

Zones	2			3			4			5			6			7			8		
	2023	2022	% Change	2023	2022	% Change	2023	2022	% Change	2023	2022	% Change	2023	2022	% Change	2023	2022	% Change	2023	2022	% Change
1 Lbs.	10.1	9.36	7.91%	10.51	9.77	7.57%	11.46	10.65	7.61%	11.98	11.13	7.64%	12.38	11.51	7.56%	12.52	11.64	7.56%	12.74	11.84	7.60%
2	10.9	10.13	7.60%	12.01	11.27	6.57%	13.11	12.18	7.64%	13.4	12.45	7.63%	13.98	12.99	7.62%	14.5	13.48	7.57%	14.75	13.71	7.59%
3	11.34	10.64	6.58%	12.65	11.87	6.57%	13.69	12.84	6.62%	14.38	13.36	7.63%	14.97	13.91	7.62%	15.47	14.38	7.58%	16.23	15.08	7.63%
4	11.67	10.95	6.58%	12.73	11.94	6.62%	14.25	13.24	7.63%	15.17	14.1	7.59%	15.59	14.49	7.59%	16.61	15.44	7.58%	17.39	16.16	7.61%
5	11.98	11.24	6.58%	13.31	12.49	6.57%	14.6	13.7	6.57%	15.85	14.73	7.60%	16.49	15.34	7.50%	17.38	16.15	7.62%	18.42	17.13	7.53%
6	12.08	11.34	6.53%	13.36	12.54	6.54%	14.74	13.71	7.51%	15.91	14.8	7.50%	16.5	15.35	7.49%	17.39	16.18	7.48%	18.43	17.14	7.53%
7	12.76	11.98	6.51%	13.66	12.83	6.47%	15.13	14.07	7.53%	16.42	15.27	7.53%	16.8	15.63	7.49%	17.86	16.61	7.53%	19.12	17.79	7.48%
8	13.13	12.33	6.49%	14.16	13.3	6.47%	15.66	14.57	7.48%	16.89	15.71	7.51%	17.48	16.26	7.50%	18.58	17.28	7.52%	19.95	18.56	7.49%
9	13.33	12.52	6.47%	14.36	13.48	6.53%	15.72	14.76	6.50%	17.04	15.85	7.51%	17.85	16.6	7.53%	19.35	18	7.50%	21.02	19.55	7.52%
10	13.51	12.69	6.46%	14.51	13.62	6.53%	15.88	14.91	6.51%	17.45	16.23	7.52%	18.06	16.8	7.50%	20.27	18.86	7.48%	22.4	20.84	7.49%

Additional Rate Comparisons (based on Zone 8 Rates)

UPS Service	2022 Rate Increase	2023 Rate Increase	2022 vs. 2023
Next Day Air	6.68%	7.73%	1.05%
Next Day Air Saver	5.87%	7.33%	1.46%
2Day AM	6.50%	7.39%	0.89%
2Day	4.90%	7.36%	2.46%
UPS 3 Day Select	9.86%	11.85%	1.99%
	GROUND Service by Weight	GROUND Service by Weight	GROUND Service by Weight
1-5 lbs.	7.40%	7.59%	0.19%
6-10 lbs.	6.50%	7.50%	1.00%
11-15 lbs.	5.67%	7.31%	1.64%
16-20 lbs.	5.64%	7.12%	1.48%
21-50 lbs.	5.56%	8.22%	2.66%
51-70 lbs.	5.91%	8.31%	2.40%
71-100 lbs.	5.93%	8.07%	2.14%
101-150 lbs.	5.93%	7.96%	2.03%



Surcharge Name	Applicable Services	2023 Increase	2022 Cost	2023 Cost
Additional Handling Surcharge	U.S. Express Package Services and U.S. International Ground Services Dimensions (Length + Width + Girth)	\$2.75 \$3.00 \$3.00	Zone 2 \$15.75 Zones 3-4 \$17.50 Zones 5+ \$20.50	Zone 2 \$18.50 Zones 3-4 \$20.50 Zones 5+ \$23.50
Address Correction	U.S. Express Package Services; International Express Package and Freight Services and U.S. International Ground Services	\$1.50	\$18.00	\$19.50
COD	All Services	\$0.50	\$17.50	\$18.00
Delivery Area Surcharge	Ground		Air	
	Commercial	\$3.70	\$3.70	
	Residential	\$5.30	\$5.55	
	Commercial Extended	\$4.50	\$4.50	
	Residential Extended	\$7.15	\$7.15	
	Import: -Delivery Area Surcharge \$3.70 -DAS Extended \$4.50			
Delivery Confirmation Fee	Confirmation of delivery is sent by mail, and includes the delivery date, either the name of the recipient or the package disposition, and in the event of a return, the reason for the return. Similar information, including ability to view a signature, is available for no charge when you track your package at www.ups.com UPS will obtain the necessary signature on delivery, and include it with the mailed Delivery Confirmation information. For signature required packages only, UPS may obtain, at its discretion, an electronic authorization to release the package without a signature on delivery. To confirm delivery of your shipment, a UPS representative will call the preferred contact telephone number listed on your UPS Next Day Air® Early package.			Signature Required \$6.35 Adult Signature Required \$7.65

Most Common Accessorial Charge Increases

ACC Charge	ADC	AHC	DAS RES Air	DAS COM Air	DAS RES Ground	DAS COM Ground	RES Air	RES Ground
Rate	\$19.50	Zone-Based; Weight Based, DIM Based. See Service Guide	\$5.55	\$3.70	\$5.30	\$3.70	\$5.85	\$5.25

UPS 2023 Rate Change Information

Additional Handling Surcharge

- The additional handling charge for any U.S. Domestic package exceeding 50 pounds in actual weight will be assessed; previously 70 pounds.

Address Correction

- The Address Correction charge will increase \$1.50. The per shipment maximum will increase \$10.50.

Area Surcharges

- The Delivery Area Surcharge applied to commercial addresses for Ground and Air Services will increase \$0.15-\$0.30.
- The Delivery Area Surcharge applied to commercial extended addresses for Ground and Air Services will increase \$0.25-\$0.40.
- The Delivery Area Surcharge applied to residential addresses for Ground Services will increase \$0.50.
- The Delivery Area Surcharge applied to residential addresses for Air Services will increase \$0.35.
- The Delivery Area Surcharge applied to residential extended addresses for Ground and Air Services will increase \$0.65.
- The Remote Area Surcharge for Alaska will increase \$3.50.
- The Remote Area Surcharge for Hawaii will increase \$1.05.
- For international import packages, the Delivery Area Surcharge will increase \$0.15 and Delivery Area Surcharge Extended will increase \$0.25.
- For a complete listing of eligible U.S. postal codes and to determine which charge may be applied, refer to the 2023 Delivery Area Surcharge and Extended Area Surcharge files.

Collect on Delivery (C.O.D.)

- The charge for Collect on Delivery will increase \$0.50.

Chargeback for Consignee Billing Shipments

- The chargeback for Consignee Billing Shipments will increase \$1.50.

Delivery Confirmation

- The charge for Delivery Confirmation Signature Required will increase \$0.45.
- The charge for Delivery Confirmation Adult Signature Required will increase \$0.50.

UPS Delivery Intercept

- The charge for UPS Delivery Intercept® will be \$17.60 for web requests and \$24.90 for phone requests.

Dry Ice

- The charge for Dry Ice will increase \$0.50.

Large Package Surcharge

- The Large Package Surcharge for U.S. Domestic commercial packages will increase \$25.00 for Zone 2; \$25.00 for Zones 3-4; and \$25.00 for Zones 5+.
- The Large Package Surcharge for U.S. Domestic residential packages will increase \$25.00 for Zone 2; \$25.00 for Zones 3-4; and \$30.00 for Zones 5+.
- The Large Package Surcharge for International packages will increase \$25.00.

Missing/Invalid Account Number or Refusal Fee

- The charge for Missing/Invalid Account Number or Refusal Fee will increase \$1.50.

Over Maximum Limits and Oversize Pallet Handling Surcharge

- The Over Maximum Limits charge will increase \$125.00
- The Oversize Pallet Handling surcharge will increase \$125.00

Residential Surcharge

- The Residential Surcharge for UPS® Ground Service will increase \$0.40.
- The Residential Surcharge for domestic UPS Air Services and UPS International Air Services will increase \$0.50.
- The Residential Surcharge for UPS Hundredweight Service® shipping will increase \$4.50 per shipment.

Third Party Billing Service

- The fee applied to shipments billed to a Third Party will be 5.00% of total charges.



FedEx Express and FedEx Ground

The following surcharge changes will take effect January 2, 2023, unless otherwise noted, for FedEx Express® and FedEx Ground® services.*

Surcharge Name	Applicable Services	2022	2023
Additional Handling Surcharge	U.S. Express Package Services and U.S. and International Ground Services	Zone 2: \$15.75 per package Zones 3-4: \$17.50 per package Zones 5-6: \$19.50 per package Zones 7+: \$21.50 per package	Zone 2: \$18.50 per package Zones 3-4: \$20.50 per package Zones 5-6: \$22.50 per package Zones 7+: \$25.00 per package
	International Express Package Services	\$21.50 per shipment (Dimension)	\$25.00 per shipment (Dimension)
	U.S. Express Freight Services	\$215.00 per freight handling unit	\$240.00 per freight handling unit
	International Express Freight Services	\$215.00 per shipment	\$240.00 per shipment
Address Correction	U.S. Express Package Services; International Express Package and Freight Services; and U.S. and International Ground Services	\$19.50 per correction	\$21.00 per correction
	U.S. Express Freight Services	\$99.00 per correction	\$110.00 per correction
	Maximum charge with FedEx Express Multi-weight® pricing	\$136.50 per shipment	\$147.00 per shipment
	Maximum charge with FedEx Ground Multi-weight® pricing	\$58.50 per shipment	\$63.00 per shipment



Surcharge Name	Applicable Services	2022	2023
Dangerous Goods (Accessible)	FedEx First Overnight®	\$115.00 per package	\$130.00 per package
	FedEx First Overnight® Freight, FedEx 1Day® Freight	Greater of \$115.00 per shipment or \$0.92 per lb.	Greater of \$130.00 per shipment or \$1.04 per lb.
	International Express Package and Freight services	Greater of \$171.00 per shipment or \$0.93 per lb.	Greater of \$195.00 per shipment or \$1.06 per lb.
Dangerous Goods (Inaccessible)	U.S. Express Package services	\$61.50 per package	\$68.50 per package
	U.S. Express Freight Services	Greater of \$60.50 per shipment or \$0.39 per lb.	Greater of \$66.50 per shipment or \$0.43 per lb.
	International Express Package and Freight Services	Greater of \$96.50 per shipment or \$0.53 per lb.	Greater of \$107.50 per shipment or \$0.59 per lb.



Delivery Area Surcharge	Applicable Services	2022	2023
	U.S. Express Package Services and U.S. Ground Services (Extended Residential)	\$6.50 per package	\$7.15 per package
	U.S. Express Package Services (Commercial)	\$3.55 per package	\$3.70 per package
	U.S. Express Package Services (Extended Commercial)	\$4.25 per package	\$4.50 per package
	FedEx Ground®, FedEx Home Delivery® (Residential)	\$4.80 per package	\$5.30 per package
	FedEx Ground® (Commercial)	\$3.40 per package	\$3.70 per package
	FedEx Ground® (Extended Commercial)	\$4.10 per package	\$4.50 per package
	Express Alaska Package Services (Residential, Commercial)	\$34.50 per package	\$38.00 per package
	Express Hawaii Package Services (Residential, Commercial)	\$11.00 per package	\$12.00 per package
	Ground Alaska Package Services	\$34.50 per package	\$38.00 per package
	U.S. Express Package Services, U.S. Ground Services (Remote Residential, Remote Commercial)		Effective January 30, 2023 \$13.25 per package
	Maximum charge with FedEx Express Multi-weight Pricing (Residential, Commercial, Extended Residential, Extended Commercial, Remote Residential, Remote Commercial)	\$17.75 per shipment (Commercial) \$21.25 per shipment (Extended Commercial) \$26.00 per shipment (Residential) \$32.50 per shipment (Extended Residential)	\$18.50 per shipment (Commercial) \$22.50 per shipment (Extended Commercial) \$27.75 per shipment (Residential) \$35.75 per shipment (Extended Residential) Effective January 30, 2023 \$66.25 per shipment (Remote Residential, Remote Commercial)
	Maximum charge with FedEx Ground Multi-weight Pricing (Residential, Extended Residential, Commercial, Extended Commercial, Remote Residential, Remote Commercial)	\$24.00 per shipment (Residential) \$17.00 per shipment (Commercial) \$20.50 per shipment (Extended Commercial) \$32.50 per shipment (Extended Residential)	\$26.50 per shipment (Residential) \$18.50 per shipment (Commercial) \$22.50 per shipment (Extended Commercial) \$35.75 per shipment (Extended Residential) Effective January 30, 2023 \$66.25 per shipment (Remote Residential, Remote Commercial)



Surcharge Name	Applicable Services	2022	2023
Delivery Reattempt	U.S. Express Freight Services	Greater of \$75.00 per shipment or \$0.082 per lb.	Greater of \$80.50 per shipment or \$0.088 per lb.
Extended Service Area Delivery	U.S. Express Freight Services	\$200.00 per shipment	\$215.00 per shipment
Extended Service Area Pickup	U.S. Express Freight Services and International Premium	\$200.00 per shipment	\$215.00 per shipment
Extra Services Charge	U.S. Express Freight Services and International Premium	\$111.00 per handler hour (\$111.00 minimum)	\$119.00 per handler hour (\$119.00 minimum)
FedEx® Collect on Delivery (C.O.D.)	U.S. Express Package Services	\$17.50 per package	\$19.00 per package
	U.S. Express Freight Services	\$93.00 per shipment	\$99.50 per shipment
	Maximum charge with FedEx Express Multi-weight Pricing	\$122.50 per shipment	\$133.00 per shipment
FedEx® Delivery Signature Options	U.S. Express Package Services, U.S. Ground Services, International Ground Service	Adult Signature Required \$7.15 per package Direct Signature Required, Indirect Signature Required \$5.90 per package	Adult Signature Required \$7.65 per package Direct Signature Required, Indirect Signature Required \$6.35 per package
	International Express Package Services	Adult Signature Required \$7.15 per package Direct Signature Required, Indirect Signature Required \$5.90 per package	Adult Signature Required \$7.65 per package Direct Signature Required, Indirect Signature Required \$6.35 per package
	Maximum charge with FedEx Express Multi-weight or FedEx Ground Multi-weight Pricing	Adult Signature Required \$50.05 per package Direct Signature Required, Indirect Signature Required \$41.30 per package	Adult Signature Required \$53.55 per package Direct Signature Required, Indirect Signature Required \$44.45 per package
FedEx ExpressTag®	U.S. Express Package Services	\$6.85 per package	\$7.35 per package
FedEx Ground® C.O.D.	FedEx Ground, International Ground Service – Regular and Guaranteed	\$17.50 per package	\$19.00 per package
	Maximum Charge with FedEx Ground Multi-weight Pricing – Regular and Guaranteed	\$122.50 per shipment	\$133.00 per shipment



Surcharge Name	Applicable Services	2022	2023
FedEx Ground® Electronic C.O.D. (E.C.O.D.)	FedEx Ground	\$17.50 per package plus an additional weekly service charge of \$13.50 per deposit within 48 hours or \$43.50 for deposit within 24 hours	\$19.00 per package plus an additional weekly service charge of \$14.50 per deposit within 48 hours or \$47.00 for deposit within 24 hours
	Maximum charge with FedEx Ground Multi-weight Pricing	\$122.50 per shipment	\$133.00 per shipment
Ground Weekly Pickup Fee	Ground Services	\$18.50 per week (invoiced weekly shipping charges of \$75 or more) \$37.00 per week (invoiced weekly shipping charges of less than \$75)	\$20.00 per week (invoiced weekly shipping charges of \$75 or more) \$40.00 per week (invoiced weekly shipping charges of less than \$75)
Hazardous Materials	FedEx Ground	\$44.00 per package	\$48.00 per package
Inside Delivery Charge	U.S. Express Freight Services	Greater of \$123.50 per shipment or \$0.081 per lb.	Greater of \$132.50 per shipment or \$0.087 per lb.
Inside Pickup Charge	U.S. Express Freight Services and FedEx International Premium	Greater of \$123.50 per shipment or \$0.081 per lb.	Greater of \$132.50 per shipment or \$0.087 per lb.
International Out-of-Delivery-Area Surcharge	International Express Package Services, International Priority Freight, International Economy Freight	Tier A: \$3.55 per shipment Tier B: Greater of \$45 per shipment or \$0.45 per lb. Tier C: Greater of \$59 per shipment or \$0.59 per lb.	Tier A: \$3.80 per shipment Tier B: Greater of \$49 per shipment or \$0.49 per lb. Tier C: Greater of \$64 per shipment or \$0.64 per lb.
International Out-of-Pickup-Area Surcharge	International Express Package Services, International Priority Freight, International Economy Freight	Tier A: \$3.55 per shipment Tier B: Greater of \$45 per shipment or \$0.45 per lb. Tier C: Greater of \$59 per shipment or \$0.59 per lb.	Tier A: \$3.80 per shipment Tier B: Greater of \$49 per shipment or \$0.49 per lb. Tier C: Greater of \$64 per shipment or \$0.64 per lb.
Metro Service Area Delivery	U.S. Express Freight Services	\$200.00 per shipment	\$215.00 per shipment
Metro Service Area Pickup	U.S. Express Freight Services, International Premium	\$200.00 per shipment	\$215.00 per shipment



Surcharge Name	Applicable Services	2022	2023
Missing or Invalid Account Number (Including Account Number Correction)	U.S. Express Package Services, International Express Package Services, U.S. Express Freight Services, International Express Freight Services, U.S. Ground Services, International Ground Service	\$19.50 per shipment	\$21.00 per shipment
Oversize Charge	U.S. Express Package Services, FedEx Ground	Zone 2: \$110.00 per package Zones 3-4: \$120.00 per package Zones 5-6: \$135.00 per package Zones 7+: \$145.00 per package	Zone 2: \$135.00 per package Zones 3-4: \$145.00 per package Zones 5-6: \$160.00 per package Zones 7+: \$170.00 per package
	FedEx Home Delivery®	Zone 2: \$135.00 per package Zones 3-4: \$145.00 per package Zones 5-6: \$160.00 per package Zones 7+: \$170.00 per package	Zone 2: \$160.00 per package Zones 3-4: \$170.00 per package Zones 5-6: \$190.00 per package Zones 7+: \$200.00 per package
Payer Rebilling	U.S. Express Package Services, International Express Package Services, U.S. Express Freight Services	\$19.50 per shipment	\$21.00 per shipment
Reroute of Shipment	U.S. Express Package Services	\$19.50 per package	\$21.00 per package
	U.S. Express Freight Services	\$99.00 per shipment	\$110.00 per shipment
	Maximum charge with FedEx Express Multi-weight Pricing	\$136.50 per shipment	\$147.00 per shipment
Residential Delivery Charge	U.S. Express Package Services	\$5.30 per package	\$5.80 per package
	International Express Package Services (to Canada, and U.S. import-rated shipments from all origins)	\$5.30 per shipment	\$5.80 per shipment
	Maximum charge with FedEx Express Multi-weight Pricing	\$47.70 per shipment	\$52.20 per shipment
	U.S. Ground Services, International Ground Service	\$5.20 per package	\$5.50 per package
	FedEx Home Delivery	\$4.75 per package	\$5.15 per package
	Maximum charge with FedEx Ground Multi-weight Pricing	\$46.80 per shipment	\$49.50 per shipment

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

Carrier Rate Increase and 2023 Rate Links:

UPS:

<https://www.ups.com/us/en/support/shipping-support/shipping-costs-rates.page>

FedEx:

<https://www.fedex.com/en-us/shipping/current-rates.html>

USPS:

<https://www.usps.com/business/prices.htm>

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.

Please contact us at: (631)847-0596 • info@pmacinc.com • rmichals@pmacinc.com • www.parcelmanagement.com

Final Thoughts

The parcel shipping industry B2B, B2C, C2B (and any other combinations that may arise) is in its infancy. The American insatiable appetite is here to stay. Amazon continues on the “carrier” landscape like a bear and thankfully adds a viable competitor to UPS and FedEx. The addition of Amazon as a carrier will finally align carrier pricing to what the market can and should bear. The aggressive stances by UPS and FedEx of late have been a key indication future pricing competition. We have seen more and more termination language in agreements, longer- term deals, and service waivers.

Package counts are down considerably, the carriers are fighting for business to keep volumes up. UPS and FedEx have introduced variations of “all-inclusive” pricing; this is not suitable for larger shippers.

The 2023 rate increases based on blended averages mislead shippers; most shippers will experience overall invoice increases well above the publicized six-plus percent average. Accessorial charge increases, cell-by-cell rate increases and fuel will be the biggest drivers. **The 2023 rate increases have been the largest in parcel history!**

Evaluation of these drivers is essential for the growth and budgeting of your business. PMAC will be delighted to help and give free high-level assessments on all these questions.

Please give us a call at 631-847-0596 or email to sales@pmacinc.com

Merry Christmas, Happy Chanukah and the best wishes for a wonderful holiday season and New Year.

Parcel Management Auditing and Consulting, Inc.