



GOING UP

It's that time of the year again when carriers begin to announce their rate increases for 2018. FedEx Corp announced this month that effective January 1, 2018 their clients will see shipping rates in the U. S. domestic, U. S. export and U. S. import services increase by an average of 4.9% for FedEx Freight, Express, Ground and Home Delivery.

Shippers should take note that the 4.9% is an average, and generally speaking for FedEx shippers that do not have an established cap on their General Rate Increase the impact is likely to be larger. The rate increase will also apply to FedEx Freight shipments within the U.S. (including Alaska, Hawaii, Puerto Rico and the U.S. Virgin Islands), between the contiguous U.S. and Canada, between Canada and Mexico. FedEx Freight rates within Mexico will also change.

In addition, FedEx is playing catch-up to UPS by adding a new fee of 2.5% on invoices that are billed to a third-party effective January 22, 2018 for FedEx Express and FedEx Ground shipments. This is a charge that UPS has had in place since 2016. The increase stems from a growing e-commerce business parcel carriers have seen, which is driving up the number of third party billings.



Other increases effective January 22, 2018 will include FedEx Freight implementation of an Over Length Surcharge of \$85 per shipment. This will be applied to shipments with dimensions of 8 feet or greater but less than 12 feet. Costs for packages that require additional handling, are oversized, or are unauthorized will also be going up. FedEx SmartPost

will apply dimensional weight pricing, and the Non-Machinable Surcharge will change. The minimum net charge for a ground package will increase to \$7.58 from \$7.25.

Shippers need to understand that the actual impact of these increases will be affected by the shipment weight, dimensions, zone etc. Data2Logistics has your data and can support this analysis for you. You should also remember the old adage that everything is negotiable. Here too our Professional Services team has decades of experience and is ready to support your efforts to better control your transportation costs.

If you want to learn more about controlling your parcel costs in light of these announced increases contact: Harold B. Friedman at harold.friedman@data2Logistics.com or +1 609 577 3756.