

Parcel Pricing Nightmares in 2021

Hempstead Consulting September 9, 2021



Because they can

- Rates and Rules can change at will, and with little notice.
- Transportation is now a C-Level issue as rates have risen across the board.

FedEx New Charges

Late Payment Fee: 6%



UPS & FedEx Dimensional Weight

You pay the greater of the actual weight or the dimensional weight.





Peak Charges

Surcharge	Services	Peak 2021 Effective Dates	FedEx Peak 2020	Beginning of 2021	June 2021	FedEx Peak 2021	UPS Peak 2021	FedEx YoY Increase
Peak - Additional Handling	US Express US Ground International Ground	10/4/2021 - 1/16/2022	\$4.90	\$3	\$3.50	\$5.95	\$6	21.43%
Peak - Oversize	US Express US Ground International Ground	10/4/2021 - 1/16/2022	\$52.50	\$ 30	\$30	\$62.50	\$60	19.05%
Peak - Unauthorized Oversize	US Ground International Ground	10/4/2021 - 1/16/2022	\$350	\$ 0	\$0	\$350	\$250	0.00%
Peak Surcharge	Ground Economy	11/1/2021 - 11/28/2021	\$1	\$0. ₇₅	\$1	\$1.50	\$1.15- \$ 5.15	50.00%
Peak Surcharge	Ground Economy	11/29/2021 - 12/12/2021	\$2	\$0.75	\$1	\$3	\$1.15- \$ 5.15	50.00%
Peak Surcharge	Ground Economy	12/13/2021 - 1/16/2022	\$1	\$0. 75	\$1	\$1.50	\$1.15- \$ 5.15	50.00%
Peak - Residential Delivery*	US Express US Ground	11/1/2021 - 1/16/2022	\$1-\$ 5	\$0.30	\$0.60*	\$1.15-\$6	\$1.15-\$6.15	7.5%-25%

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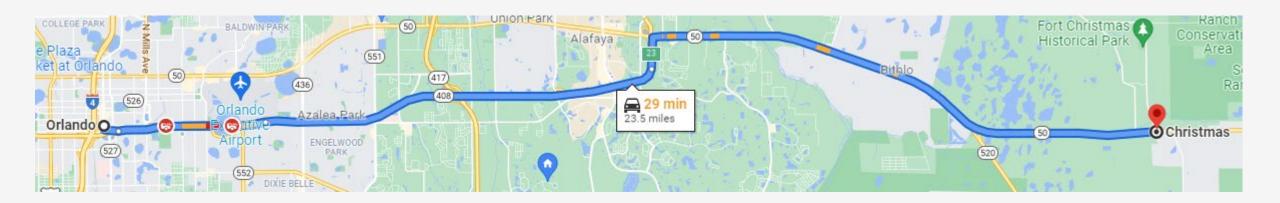


Holy Christmas!

A word about DAS and Extended DAS.

Christmas Florida is an Extended DAS city and enjoys a \$5.90 Residential Extended Delivery plus a \$4.35 residential fee, plus a Fuel Surcharge, plus a 9.5% Fuel Surcharge on the fees.

Many shipments now have fees greater than the transportation freight rate.





USPS

Rates would go into effect at 12:00am, Central Time, on Oct. 3, 2021, and remain in place until 12:00am, Central Time, Dec. 26, 2021.



Priority Mail, Priority Mail Express, Parcel Select Ground and USPS Retail Ground:

- . \$0.75 increase for PM and PME Flat Rate Boxes and Envelopes.
- \$0.25 increase for Zones 1-4, 0-10 lbs.
- \$0.75 increase for Zones 5-9, 0-10 lbs.
- \$1.50 increase for Zones 1-4, 11-20 lbs.
- \$3.00 increase for Zones 5-9, 11-20lbs.
- \$2.50 increase for Zones 1-4, 21-70 lbs.
- \$5.00 increase for Zones 5-9, 21-70 lbs.

Product	Current	Planned Increase
Parcel Select Destination Delivery Unit (DDU)	Starts at \$3.30	No change
Parcel Select Lightweight (DDU)	Starts at \$2.15	No change
FCPS Commercial	Starts at \$3.01	30 cents
FCPS Retail	Starts at \$4.00	30 cents
Parcel Select Lightweight (DSCF and DNDC)	Starts at \$2.55	\$1.00
Parcel Select DSCF	Starts at \$4.84	\$1.00
Parcel Select DNDC	Starts at \$6.85	\$1.00
Parcel Return Service	Starts at \$3.21	\$1.00



What's ahead and when does peak season end?

- FedEx is already setting \$0.60 per-package surcharges to begin Jan. 17, 2022 for Express and Ground home deliveries in the U.S.
- No end date is listed.



2022:5.9% "on average"

Effective Jan. 4, 2021

FedEx Express package and freight standard list rates increased an average of 4.9% for U.S., U.S. export and U.S. import services.

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Shipping Rates to Increase for FedEx Express, FedEx Ground, and FedEx Freight Services

September 20, 2021

MEMPHIS, Tenn., September 20, 2021 — FedEx Express, FedEx Ground, and FedEx Freight, subsidiaries of FedEx Corp. (NYSE: FDX), will increase shipping rates on January 3, 2022.

FedEx Express shipping rates will increase by an average of 5.9% for U.S. domestic, U.S. export, and U.S. import services.

FedEx Ground and FedEx Home Delivery shipping rates will increase by an average of 5.9%. FedEx Ground Economy shipping rates will also increase.





Minimum Charge

Minimum charge	2021	2022	increase	percent	2021	w fuel	2022 w fue	inc	rease	percent
priority	\$69.56	\$ 73.80	\$ 4.24	6.10%	\$	75.82	\$ 81.73	\$	5.91	7.80%
standard	\$60.41	\$ 64.09	\$ 3.68	6.09%	\$	65.85	\$ 70.98	\$	5.13	7.80%
2 day a m	\$29.13	\$ 32.01	\$ 2.88	9.89%	\$	31.75	\$ 35.45	\$	3.70	11.65%
2 day	\$25.16	\$ 26.39	\$ 1.23	4.89%	\$	27.42	\$ 29.23	\$	1.80	6.57%
Express saver	\$20.96	\$ 23.03	\$ 2.07	9.88%	\$	22.85	\$ 25.51	\$	2.66	11.64%
ground	\$ 8.76	9.36	\$ 0.60	6.85%	\$	9.59	10.41	\$	0.82	8.56%

What does the real impact look like if you have a discount?

Well the bigger your discount, the more you are hurt.

Minimum	202	1	2022	inc	rease	percent		202	1 w fue	2022 w fue	incr	ease	percent
ground	\$	8.76	9.36	\$	0.60	6.85%		\$	9.59	10.413	\$	0.82	8.56%
example if you have a \$3 discount off your minimum charge													
	\$	5.76	6.36	\$	0.60	10.42%		\$	6.31	7.0755	\$	0.77	12.18%
	exa	mple i	f you have	a \$4	disco	unt off you	r minimun	n ch	arge				
	\$	4.76	5.36	\$	0.60	12.61%		\$	5.21	5.963	\$	0.75	14.40%



Air

2022

U.S. express package rates: Zone 51

Shipments moving generally 601–1,000 miles

	very mitment²		t day by 8:30 a.m.³		day by 0 a.m.4		day by p.m. ⁵		day by O a.m.4		day by p.m. ⁵	1	day by p.m. ⁵
Fedi Env	Ex® elope	Overnight		FedEx FedEx Priority Standa Overnight® Overni			FedEx 2Day® A.M.		FedEx 2Day®		FedEx Express Saver®		
	o 8 oz.	\$	77.91	\$	46.91	\$	44.64	\$	28.12	\$	26.39	\$	23.03
Fed	Ex® Pak		*		*		*		*		*		*
	1 lb.	\$	104.80	\$	73.80	\$	64.09	\$	32.01	\$	26.39	\$	23.03
ge	2 lbs.		110.23		79.23		72.30		34.11	_	28.6 6		23.44
별	3		121.55		90.55		80.10		37.57		31.56		26.00
veig	4		130.16		99.16		87.78		43.88		36.85		29.22
Ē	5		131.04		100.04		95.44		48.71		40.94		30.42
ij	6		148.02		117.02		101.76		53.21		44.70		35.83
ma	7		153.76		122.76		110.58		58.12		48.85		36.54
/ bu	8		158.54		127.54		117.73		63.43		53.29		39.27
ackaging / maximum weight in lbs.	9		159.02		128.02		125.27		68.09		57.20		40.86
ack	10		160.81		129.81		127.25		72.73		61.11		43.92

2021

U.S. express package rates: Zone 51

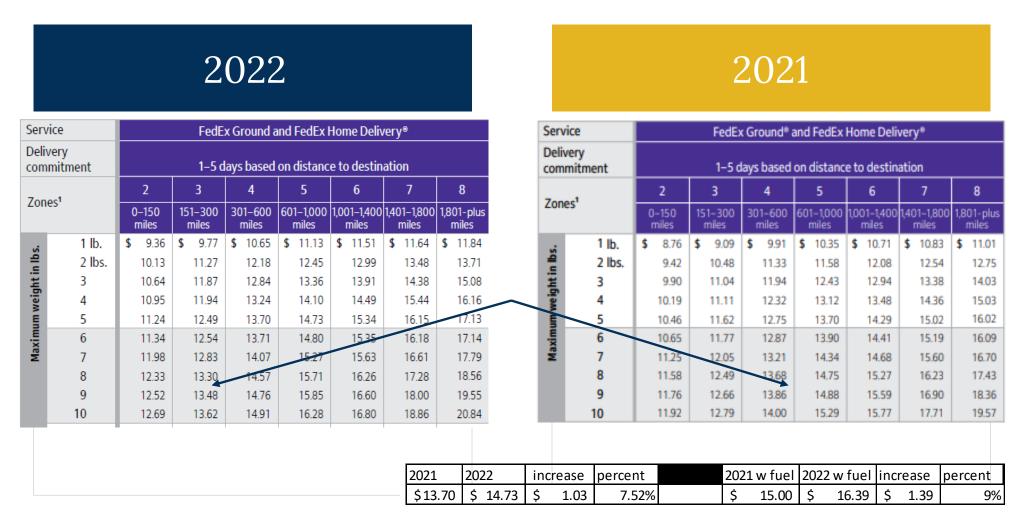
Shipments moving generally 601-1,000 miles -

	Delivery commitment ²		t day by 8:30 a.m. ³		t day by 0 a.m. ⁴		day by p.m. ⁵		fay by) a.m. ⁴	2nd o 4:30	fay by p.m. ⁵	3rd d 4:30	
FedEx® Envelope		FedEx First Overnight*		FedEx Priority Overnight*		FedEx Standard Overnight*		FedEx 2Day® A.M.		FedEx 2Day*		FedEx Express Saver*	
	o 8 oz.	\$	75.47	\$	44.47	\$	42.32	\$	25.59		**		**
Fed	Ex® Pak		•		*		•		*		•		*
.:	1 lb.	\$	100.56	\$	69.56	\$	60.41	\$	29.13	\$	25.16	\$	20.96
ã	2 lbs.		105.68		74.68		68.15		31.04		27.33		21.33
重	3		116.35		85.35		75.50		34.19		30.09		23.66
veig	4		124.46		93.46		82.74		39.93		35.13		26.59
Ě	5		125.29		94.29		89.96		44.33		39.03		27.68
Ę.	6		141.30		110.30		95.91		48.42		42.62		32.61
ê	7		146.71		115.71		104.23		52.89		46.57		33.25
) gr	8		151.21		120.21		110.97		57.72		50.81		35.74
ackaging / maximum weight in lbs.	9		151.66		120.66		118.07		61.96		54.53		37.18
ack	10		153.35		122.35		119.94		66.19		58.26		39.97

2021	2022	incr	ease	percent	2	2021	. w fuel	2022	2 w fuel	incr	ease	percent
\$94.29	\$100.04	\$	5.75	6.10%		\$	102.78	\$	110.79	\$	8.02	8%



Ground



So a 5 pound, Zone 5 Ground package goes from \$13.70 to \$14.73.

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Fuel: UPS is less than FedEx, and on Exports less than DHL.

USPS currently has no fuel surcharge.



Effective Date	Fe	edEx Express Surcharge	Based on Weekly Fuel Price Reported for ¹	FedEx Ground Surcharge	Based on Weekly Fuel Price Reported for ¹		
	Domestic and U.S. to Puerto Rico – Package Services	Domestic and U.S. to Puerto Rico – Freight Services	Export	Import			
Sept. 13, 2021-Sept. 19, 2021	9.00%	\$0.340 per lb.	10.25%	13.00%	Sept. 3, 2021	9.50%	Sept. 6, 2021



Effective Start Date	Ground Surcharge	Domestic Air Surcharge	International Air Export Surcharge	International Air Import Surcharge
09/13/2021	9.25%	8.50%	8.75%	12.50%



	Month	Export Surcharge	Import Surcharge
S	September 2021	10.00%	12.75%



2022 Fuel Changes

- Air is currently 9%...November 1, goes to 10.75% at current fuel cost.
- Ground currently 9.5%...going to 11.25%.
- Stand by for UPS announcement around Thanksgiving.

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DAS

Surcharge name	Applicable services	2021	2022
Delivery Area Surcharge	U.S. Express Package Services (Residential)	\$4.70 per package	\$5.20 per package
	U.S. Express Package Services, U.S. Ground Services (Extended Residential)	\$5.90 per package	\$6.50 per package
	U.S. Express Package Services (Commercial)	\$3.25 per package	\$3.55 per package
	U.S. Express Package Services (Extended Commercial)	\$3.85 per package	\$4.25 per package
	FedEx Ground® (Residential)	\$4.40 per package	\$4.80 per package
	FedEx Ground® (Commercial)	\$3.10 per package	\$3.40 per package
	FedEx Ground (Extended Commercial)	\$3.70 per package	\$4.10 per package
	Express Alaska Package Services (Residential, Commercial)	\$31.50 per package	\$34.50 per package
	Express Hawaii Package Services (Residential, Commercial)	\$9.50 per package	\$11 per package
	Ground Alaska Package Services	\$31.50 per package	\$34.50 per package
	FedEx Home Delivery® (Residential)	\$4.30 per package	\$4.80 per package

Delivery Area Surcharge	2021	2022	Increase	Percent	2021 w fuel	2022 w fuel	Increase	Percent
Express Resi	\$4.70	\$5.20	\$0.50	10.64%	\$5.12	\$5.76	\$0.64	12.41%
Expr Extended Resi	\$5.90	\$6.50	\$0.60	10.17%	\$6.43	\$7.20	\$0.77	11.94%
Grnd Extended Resi	\$5.90	\$6.50	\$0.60	10.17%	\$6.46	\$7.23	\$0.77	11.93%
Exp Comm	\$3.25	\$3.55	\$0.30	9.23%	\$3.56	\$3.95	\$0.39	10.98%
Exp Extended Comm	\$3.85	\$4.25	\$0.40	10.39%	\$4.22	\$4.73	\$0.51	12.15%
Grnd Resi	\$4.40	\$4.80	\$0.40	9.09%	\$4.82	\$5.34	\$0.52	10.83%
Grnd Comm	\$3.10	\$3.40	\$0.30	9.68%	\$3.39	\$3.78	\$0.39	11.43%
Grnd Ext Comm	\$3.70	\$4.10	\$0.40	10.81%	\$4.05	\$4.56	\$0.51	12.58%
Home Del Resi	\$4.30	\$4.80	\$0.50	11.63%	\$4.71	\$5.34	\$0.63	13.41%

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Residential

Residential Delivery Charge	U.S. Express Package Services	\$4.95 per package	\$5.30 per package
	International Express Package Services (to Canada, and U.S. import- rated shipments from all origins)	\$4.95 per shipment	\$5.30 per shipment
	Maximum charge with FedEx Express Multiweight Pricing	\$44.55 per shipment	\$47.70 per shipment
	U.S. Ground Services, International Ground Service	\$4.80 per package	\$5.20 per package
	FedEx Home Delivery	\$4.35 per package	\$4.75 per package
	Maximum charge with FedEx Ground Multiweight Pricing	\$43.20 per shipment	\$46.80 per shipment
	U.S. Express Freight Services, International Express Freight Services (to Canada, and U.S. import-rated shipments from all origins)	\$160 per shipment	\$170 per shipment

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UPS Additional Handling

Charges	Description	Fee			
Charges Additional Handling	 An Additional Handling charge will be assessed for any package that requires special handling, as determined by UPS in its sole discretion, including, but not limited to: Weight: Domestic: Any package with an actual weight of more than 50 pounds. Each package in a shipment where the average weight per package is greater than 50 pounds and the weight for each package is not specified on the source document or the UPS automated shipping system used. International: Any package with an actual weight of more than 70 pounds. Each package in a shipment where the average weight per package is greater than 70 pounds and the weight for each package is not specified on the source document or the UPS automated shipping system used. Length plus girth: Any package with its length (longest side of the package) plus girth ((2 x width) + (2 x height)) combined exceeding 105 inches. Length: Any package with the longest side exceeding 48 inches. Width: Any package with its second-longest side exceeding 30 inches. Packaging: Any article that is not fully encased in a corrugated cardboard shipping container, including but not limited to canvas, leather, metal, wood, hard plastic, soft plastic (e.g., plastic bag) or 	Fee Effective April 1: Domestic - Weight - Length + girth - Length - Width - Packaging International	Zone 2 \$24.00	Zones 3-4 \$25.50 \$16.00 \$16.00 \$15.00	Zones 5+ \$27.00 \$18.00 \$18.00 \$16.00
	expanded polystyrene foam (e.g., styrofoam). - Any article that is encased in a soft-sided pack (e.g., poly bags and bubble mailers) that exceeds 18 inches along its longest side or 14 inches along its second-longest side or 6 inches in height. - Any package with an outer shipping container covered in shrink wrap or stretch wrap. - Any package bound with metal, plastic or cloth banding, or that has wheels, casters, handles or straps (including packages where the outer surface area is loosely wrapped or where the contents protrude outside the container surface). - Any cylindrical-like item, including but not limited to barrels, buckets, cans, drums, mailing tubes				
	or pails. - Any package routed through UPS's irregular package sortation process, including but not limited to packages 1 inch or less in height. - Any other package that requires special handling, as determined by UPS in its sole discretion. - Applies per package for both domestic and international services. - For a package that meets multiple criteria listed above, only one Additional Handling charge will be assessed, in the following order: Weight, Length plus girth, Length, Width, Packaging. - An Additional Handling charge will not be assessed when a Large Package Surcharge is applied.				



Additional Handling Effective 01.24.22

Surcharge name	Applicable services	2021	2022				
Additional Handling Surcharge	U.S. Express Package Services,	Dimension:	Dimension:				
Effective January 24, 2022,	U.S. Ground Services	\$16 per package	Zone 2: \$15.75 per package				
the Additional Handling Surcharge rates for U.S.			Zones 3-41: \$17.50 per package				
Express Package Services			Dimension: Zone 2: \$15.75 per package Zones 3-4 ¹ : \$17.50 per package Zones 5-6: \$19.50 per package Zones 7+ ² : \$21.50 per package Weight: Zone 2: \$25.25 per package Zones 3-4 ¹ : \$27.50 per package Zones 5-6: \$29.50 per package Zones 7+ ² : \$31.50 per package Zones 7+ ² : \$31.50 per package Zones 2: \$14 per package				
and U.S. Ground Services will be determined based							
on the shipment's zone.		Weight:	Weight:				
		\$25.50 per package	Zone 2:\$25.25 per package				
			Zones 3-41: \$27.50 per package				
			Zones 5-6: \$29.50 per package				
			Zones 7+2; \$31.50 per package				
		Packaging:	Packaging:				
	\$14 per package	\$14 per package	Zone 2 \$14 per package				
			Zones 3-41: \$16 per package				
			Zones 5-6: \$17 per package				
			Zones 7+2: \$18 per package				

¹Zones 3–4 rate also applies to U.S. Ground Zone 22 (Intra-Alaska), U.S. Ground Zone 14 (Intra-Oahu), and U.S. Express Intra-Hawaii. ²Zones 7+ rate also applies to shipments from U.S. to Puerto Rico.

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Additional Handling Effective 01.24.22

Addl Hndlg surcharge	2021	2022	incr	ease	percent	2021	w fuel	2022	w fuel	incr	ease	percent
dimension												
exp & grnd zn 2	\$16.00	\$15.75	\$	(0.25)	-1.56%	\$	17.52	\$	17.52	\$	0.00	0.01%
exp & grnd zn 3-4	\$16.00	\$17.50	\$	1.50	9.38%	\$	17.52	\$	19.47	\$	1.95	11.12%
exp & grnd zn 5-6	\$16.00	\$19.50	\$	3.50	21.88%	\$	17.52	\$	21.69	\$	4.17	23.82%
exp & grnd zn 7+	\$16.00	\$21.50	\$	5.50	34.38%	\$	17.52	\$	23.92	\$	6.40	36.52%
weight												
exp & grnd zn 2	\$25.50	\$25.25	\$	(0.25)	-0.98%	\$	27.92	\$	28.09	\$	0.17	0.60%
exp & grnd zn 3-4	\$25.50	\$27.50	\$	2.00	7.84%	\$	27.92	\$	30.59	\$	2.67	9.57%
exp & grnd zn 5-6	\$25.50	\$29.50	\$	4.00	15.69%	\$	27.92	\$	32.82	\$	4.90	17.54%
exp & grnd zn 7+	\$25.50	\$31.50	\$	6.00	23.53%	\$	27.92	\$	35.04	\$	7.12	25.50%
packaging												
exp & grnd zn 2	\$14.00	\$14.00	\$	-	0.00%	\$	15.33	\$	15.58	\$	0.25	1.60%
exp & grnd zn 3-4	\$14.00	\$16.00	\$	2.00	14.29%	\$	15.33	\$	17.80	\$	2.47	16.11%
exp & grnd zn 5-6	\$14.00	\$17.00	\$	3.00	21.43%	\$	15.33	\$	18.91	\$	3.58	23.37%
exp & grnd zn 7+	\$14.00	\$18.00	\$	4.00	28.57%	\$	15.33	\$	20.03	\$	4.70	30.63%

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Oversize

Oversize Charge

An oversize charge applies to packages that exceed 96 inches in length or 130 inches in length and girth. Rating will be based on the greater of the package's actual rounded weight or dimensional weight, subject to a 90-lb. minimum billable weight. FedEx Express international shipments will not be subject to a 90-lb. minimum billable weight. For more information about extra-large packages, see the Extra-Large Packages and the Package Restrictions (Size and Weight) sections in the FedEx Express Terms and Conditions, and the Package Restrictions (Size and Weight) section in the FedEx Ground Tariff.

Package shape and dimensions may change during transit, which can affect the package's dimensional weight and surcharge eligibility. If the dimensions change during transit, FedEx may make appropriate adjustments to the shipment charges at any time.

Oversize Charge	U.S. Express Package Services,	\$105 per package	Zone 2: \$110 per package				
Effective January 24, 2022, the Oversize Charge rates for U.S. Express Package Services and U.S. Ground Services will be determined based on the shipment's zone.	FedEx Ground		Zones 3–41: \$120 per package				
			Zones 5–6: \$135 per package				
			Zones 7+2: \$145 per package				
	FedEx Home Delivery®	\$130 per package	Zone 2: \$135 per package				
			Zones 3–41: \$145 per package				
			Zones 5–6: \$160 per package				
			Zones 7+: \$170 per package				
	International Express Package Services	\$105 per shipment	\$145 per shipment				
	International Ground Service	\$105 per package	\$145 per package				



New-Effective January 17, 2022

- "Effective January 17, 2022, a Delivery and Returns Surcharge will be assessed on packages that are delivered or returned using FedEx Ground Economy services."
- FedEx will charge \$1.00 on all deliveries and returns in the Ground Economy network.
- As a new surcharge, no one has relief without negotiating.

Delivery and Returns Surcharge FedEx Ground® Economy	Effective January 17, 2022			
	A \$1.00 per-package Delivery and Returns Surcharge will be assessed on packages that are delivered or returned using FedEx Ground Economy services.			

Thank You.

Performance. Not promises.