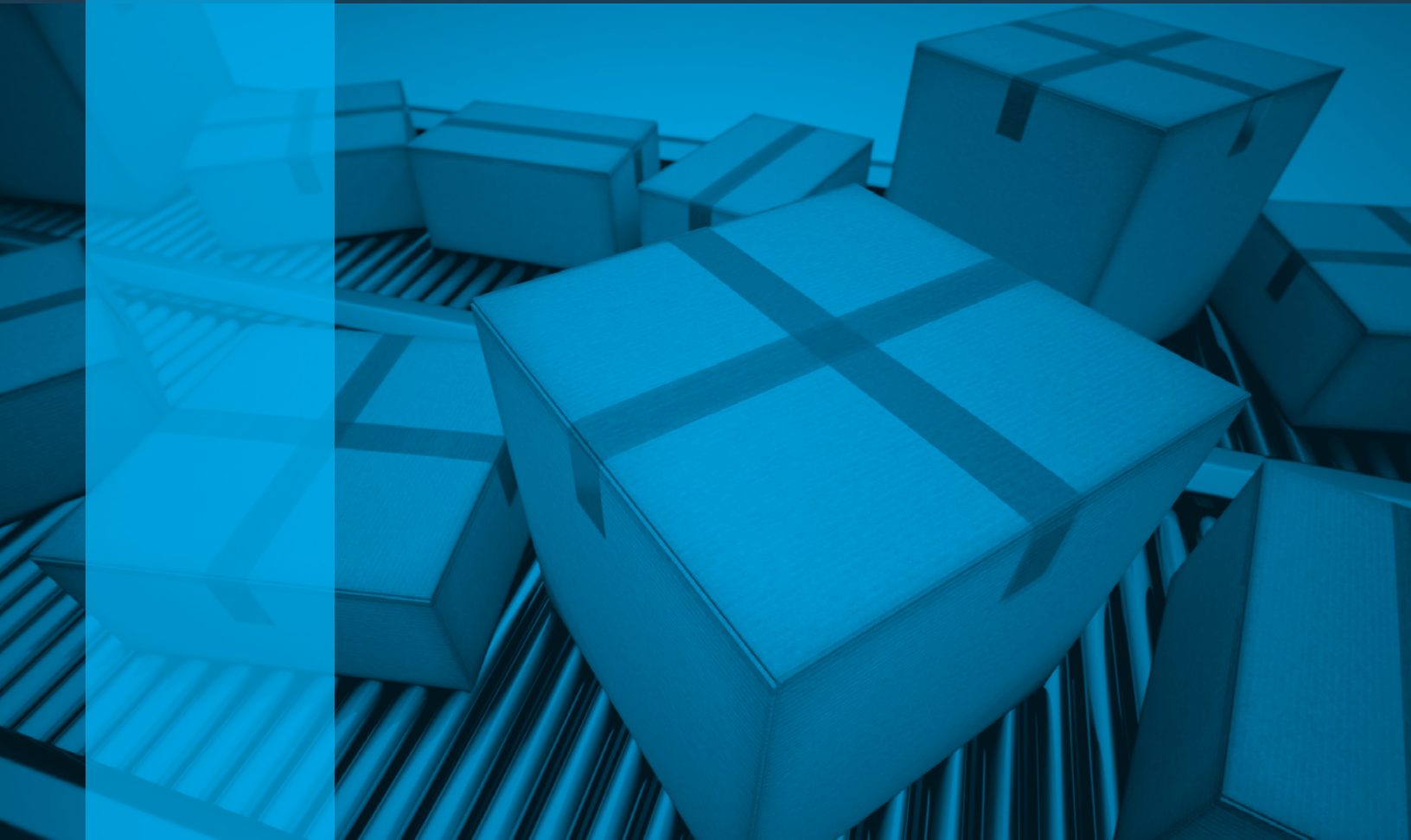


# 2021

## ANNUAL CARRIER

### GENERAL PRICE INCREASE



Dear Parcel Shipper,

Over the past decade (2011 - 2021), UPS and FedEx ground tariff rates have increased **74.9%** while air tariff rates have increased **75.7%**. As usual, these numbers do not take into account the accessorial increases or the impact of the size-to-weight related charge changes both carriers have made.

#### GROUND SHIPPING RATES

↑ **74.9%** \*

**HAVE INCREASED**  
OVER THE PAST DECADE

#### UPS

Effective Date:  
December 27, 2020

**Avg. Air Increase**  
4.9%

**Avg. Ground Increase**  
4.9%

#### AIR SHIPPING RATES

↑ **75.7%** \*

**HAVE INCREASED**  
OVER THE PAST DECADE

#### FedEx

Effective Date:  
January 4, 2021

**Avg. Air Increase**  
4.9%

**Avg. Ground Increase**  
4.9%

How will the increased rates, surcharges and fees affect your profitability in 2021? Of course, the impact to you will vary according to the characteristics that comprise your unique shipping profile (e.g. service level usage, zone density, billed vs actual weight, etc.) and distribution model. If your business relies on UPS and FedEx, there's a lot that can be done to push back against growing shipping expenses. [Create your free Lojistic account](#) to quantify specific areas of overspend, then use that information to take action. If you'd like to discuss strategies to help mitigate the rate increases, let's chat.

Best wishes in 2021.

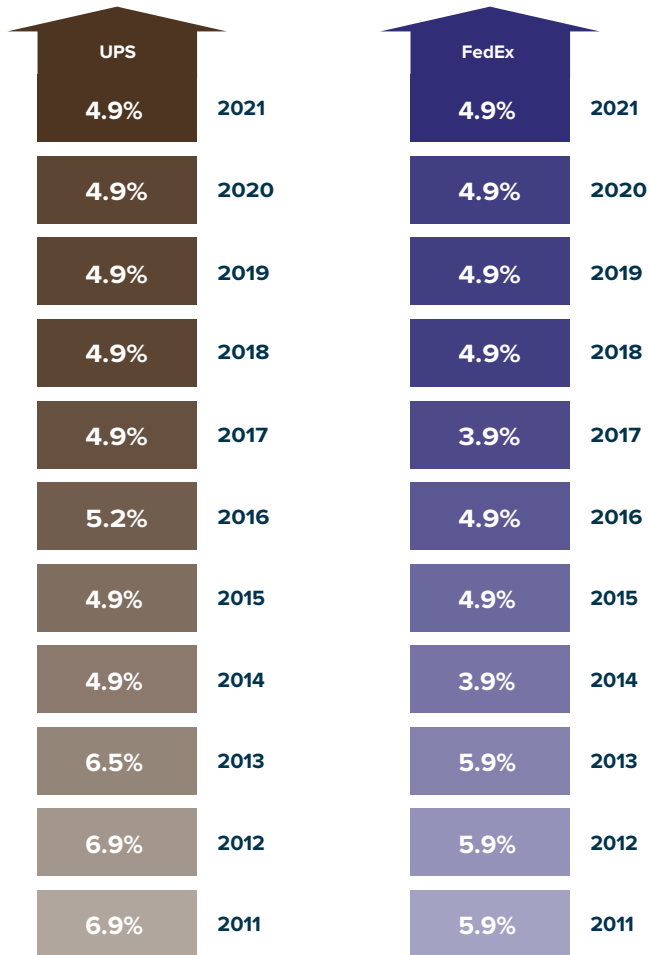
Cheers,



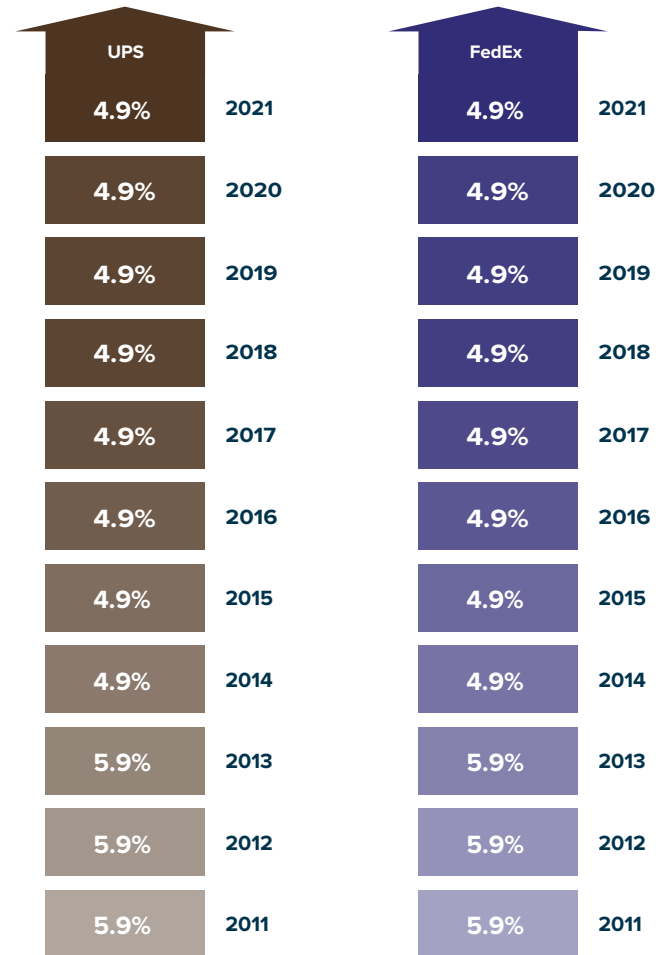
Jared Fisher  
Executive Vice President  
Lojistic

\*combined UPS & FedEx average

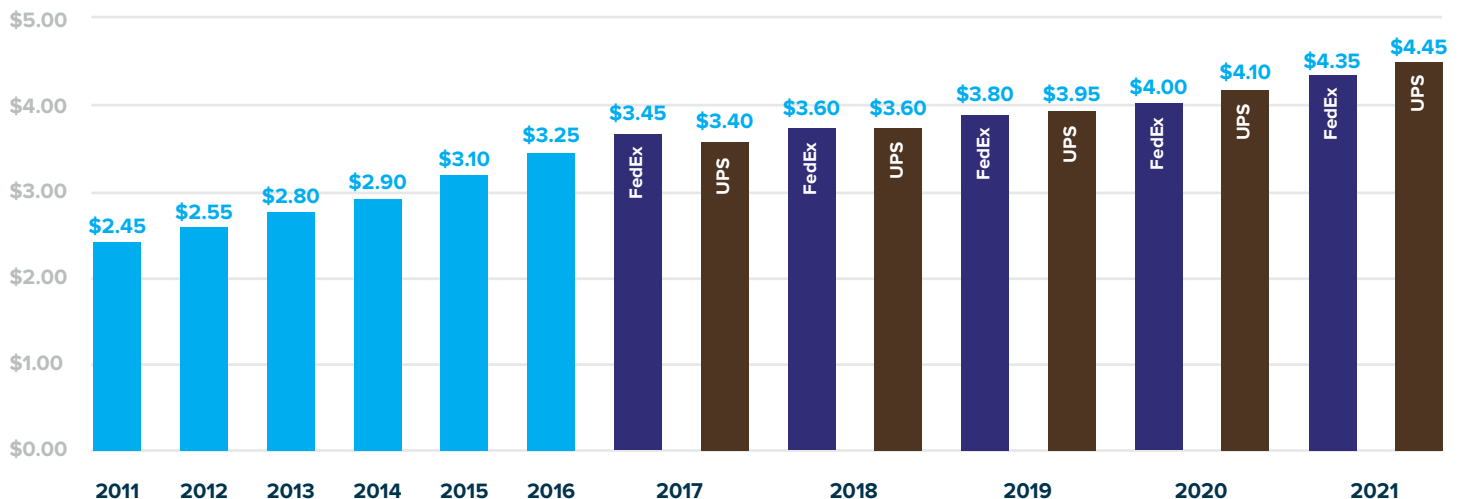
## AIR PRICE INCREASE YEAR TO YEAR



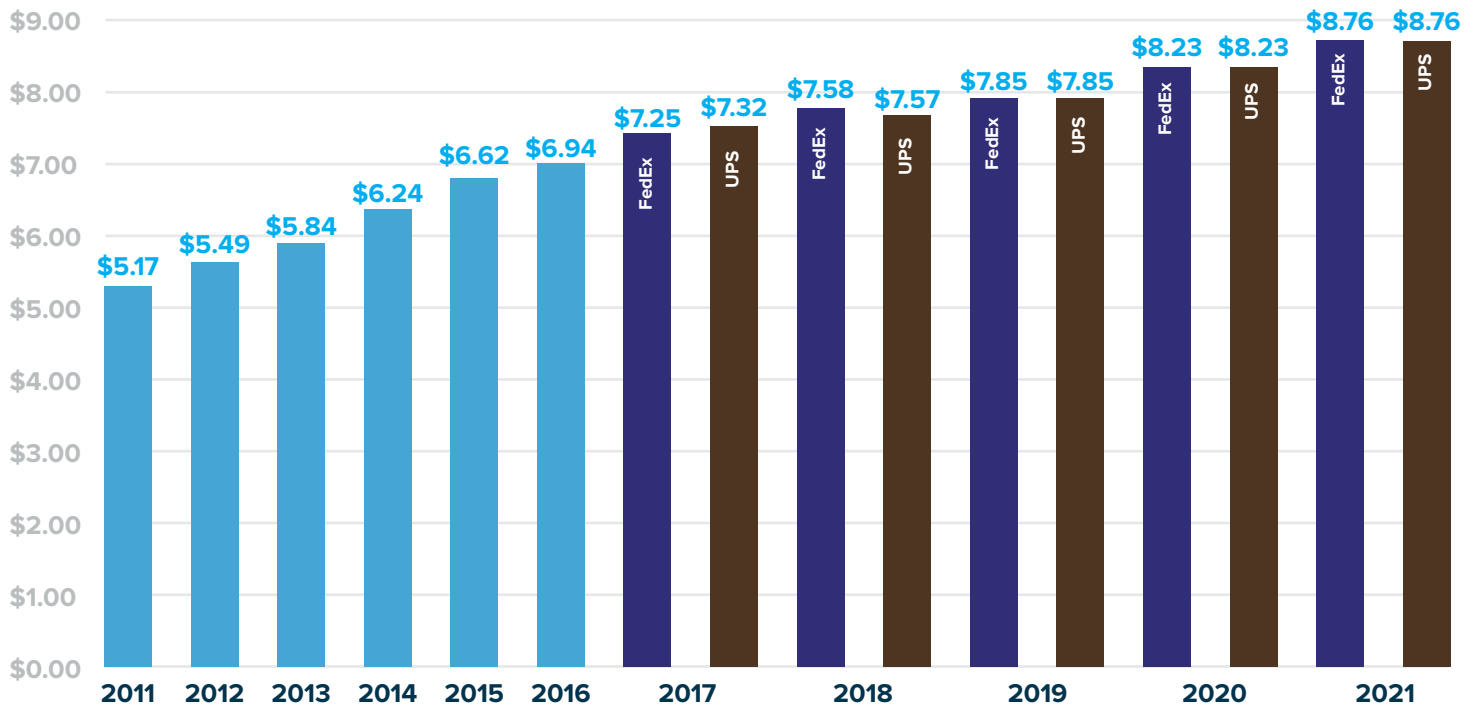
## GROUND PRICE INCREASE YEAR TO YEAR



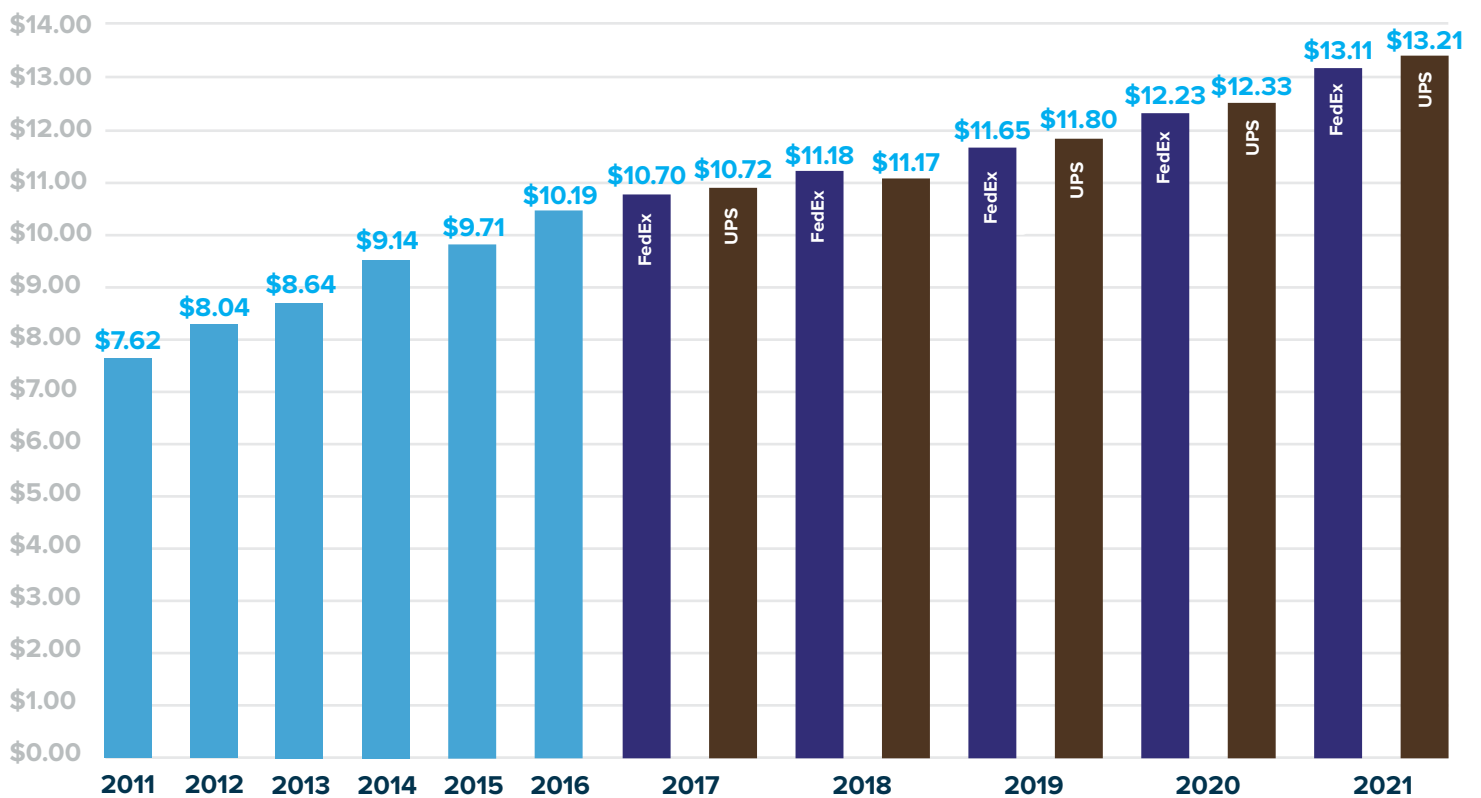
## GROUND RESIDENTIAL FEE



## GROUND COMMERCIAL MINIMUM CHARGE



## GROUND RESIDENTIAL MINIMUM CHARGE (INCLUDES RESIDENTIAL FEE)



2020 wasn't such a bad year...if you happen to be UPS or FedEx. Despite rolling out several new mid-year surcharges, eliminating a shipper's ability to file for late shipments, and posting record profits, UPS and FedEx will raise their rates, once again, for 2021.

The 2021 General Price Increase (GPI) is 4.9% for both UPS and FedEx and applies only to the weight/zone rates for their Air, Ground and International services. The GPI will be made effective December 27, 2020 for UPS and January 4, 2021 for FedEx.

The advertised 4.9% increase can be misleading, as it is an average. A shipper's actual increase will vary according to weight/zone characteristics and service levels used. Additionally, the 4.9% increase does not factor in the increases to all accessorial surcharges, which are typically higher than the 4.9% average.

### **Here are some of the key takeaways from the 2021 GPI:**

- Both carriers continue focusing on margin improvements for low weight shipments. What this means is that they are applying the biggest increases to the lightest packages for most service levels.
- 2-day and 3-day services are taking larger increases.
- Longer zone Air services are taking larger increases than shorter zone Air services.
- Nearly all surcharges are increasing by more than 4.9%.
- Both carriers continue to penalize those who ship "undesirable" larger packages. For example, the Additional Handling Weight Fee is increasing from \$24 to \$25.50. Both carriers have also announced that any package measuring greater than 105 inches (length and girth combined) will be subject to the Additional Handling – Dimension Fee; which will increase from \$15 to \$16.
- Both carriers are revising the ZIP code ranges for which their Delivery Area Surcharges (DAS) will be assessed; making more ZIP codes eligible for DAS surcharges.
- Both carriers are keeping the published 139 dimensional weight factor consistent with 2020 and carrying it over into 2021 for domestic and international shipments.
- UPS is changing how they apply their Additional Handling and Large Package Surcharges:
  - Effective April 11, 2021, Additional Handling and Large Package Surcharges for non-hundredweight service packages will differ by zone.
  - Effective July 11, 2021, Additional Handling and Large Package Surcharges for hundredweight service packages will differ by zone.
- FedEx is following UPS's lead in penalizing late payments by instituting a 6% late payment fee.

**UPS - Effective December 27, 2020****UPS Ground:**

Ground rate increase announced at 4.9%. Important changes include:

- Ground Commercial Minimum Charge: Increase of \$0.53 (6.4%) from \$8.23 to \$8.76
- Ground Residential Minimum Charge: Increase of \$0.88 (7.1%) from \$12.33 to \$13.21

**UPS Air & International:**

Air & International rate increase announced at 4.9%

**Surcharge & Accessorial Changes:**

These changes apply to some of the more commonly seen surcharges and accessorial fees:

- Air Residential: Increase of \$0.30 (6.4%) from \$4.70 to \$5.00
- Ground Residential: Increase of \$0.35 (8.5%) from \$4.10 to \$4.45
- DAS Commercial Ground: Increase of \$0.15 (5.1%) from \$2.95 to \$3.10
- DAS Commercial Air: Increase of \$0.15 (4.8%) from \$3.10 to \$3.25
- DAS Commercial Ground Extended: Increase of \$0.25 (7.2%) from \$3.45 to \$3.70
- DAS Commercial Air Extended: Increase of \$0.25 (6.9%) from \$3.60 to \$3.85
- DAS Residential Ground: Increase of \$0.30 (7.5%) from \$4.00 to \$4.30
- DAS Residential Air: Increase of \$0.30 (6.8%) from \$4.40 to \$4.70
- DAS Residential Ground & Air Extended: Increase of \$0.50 (9.3%) from \$5.40 to \$5.90
- Delivery Confirmation Signature Required: Increase of \$0.30 (5.7%) from \$5.25 to \$5.55
- Delivery Confirmation Adult Signature Required: Increase of \$0.35 (5.5%) from \$6.35 to \$6.70
- Address Correction Fee Increase of \$1.00 (5.9%) from \$17.00 to \$18.00
- Additional Handling Surcharge (Weight): Increase of \$1.50 (6.3%) from \$24.00 to \$25.50
- Additional Handling Surcharge (Length & Width): Increase of \$1.00 (6.7%) from \$15.00 to \$16.00
- Large Package Surcharge (Commercial): Increase of \$5.00 (5.0%) from \$100.00 to \$105.00
- Large Package Surcharge (Residential): Increase of \$10.00 (8.3%) from \$120.00 to \$130.00
- Large Package Surcharge (International) Increase of \$5.00 (5.0%) from \$100.00 to \$105.00
- Over Maximum Limits Charge: Increase of \$45.00 (5.1%) from \$875.00 to \$920.00

**FedEx - Effective January 4, 2021****FedEx Ground:**

Ground rate increase announced at 4.9%. Important changes include:

- Ground Commercial Minimum Charge: Increase of \$0.53 (6.4%) from \$8.23 to \$8.76
- Ground Residential Home Delivery Minimum Charge: Increase of \$0.88 (7.2%) from \$12.23 to \$13.11

**UPS Air & International:**

Air & International rate increase announced at 4.9%

**Surcharge & Accessorial Changes:**

These changes apply to some of the more commonly seen surcharges and accessorial fees:

- Express & Ground Residential: Increase of \$0.30 (6.5%) from \$4.65 to \$4.95
- Home Delivery Residential: Increase of \$0.35 (8.8%) from \$4.00 to \$4.35
- DAS Commercial Express (includes Extended): Increase of \$0.15 (4.8%) from \$3.10 to \$3.25
- DAS Commercial Ground (includes Extended): Increase of \$0.15 (5.1%) from \$2.95 to \$3.10
- DAS Residential Express & Ground: Increase of \$0.30 (6.8%) from \$4.40 to \$4.70
- DAS Residential Home Delivery: Increase of \$0.30 (7.5%) from \$4.00 to \$4.30
- DAS Residential Extended (Express & Ground): Increase of \$0.50 (9.3%) from \$5.40 to \$5.90
- Address Correction Fee: Increase of \$1.00 (5.9%) from \$17.00 to \$18.00
- Additional Handling Surcharge (Dimensions): Increase of \$1.00 (6.7%) from \$15.00 to \$16.00
- Additional Handling Surcharge (Weight): Increase of \$1.50 (6.3%) from \$24.00 to \$25.50
- Ground Unauthorized Charge: Increase of \$45.00 (5.1%) from \$875.00 to \$920.00
- Delivery Signature (Signature Required): Increase of \$0.30 (5.7%) from \$5.25 to \$5.55
- Delivery Confirmation Adult Signature Required: Increase of \$0.35 (5.5%) from \$6.35 to \$6.70
- Oversize Charge: Increase of \$5.00 (5.0%) from \$100.00 to \$105.00

### The Path To Better Carrier Rates Begins With The Lojistic Platform

Use Your Lojistic Account To Identify And Eliminate Shipping Overspend

#### Create Your Lojistic Account For Free

- Evaluate And Mitigate Carrier Rate Increases
- Quantify How Much Your Current Contract Can Be Improved
- Optimize Shipping Rates And Reduce Carrier Fees



**(800) 783-5753**



**hello@lojistic.com**



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