



*your guide to the
2019 FedEx and UPS rate increases*

new year, new rates

Small package shipping will once again be more expensive in 2019. At the end of 2018, FedEx and UPS announced their average rate increases, along with some additional changes that will likely affect your business. There is a lot to unravel in the announcements, and it's important that shippers take note.

Here are some quick facts:

- FedEx Express, FedEx Ground, and FedEx Home Delivery rates are increasing an average of 4.9%, effective January 7, 2019.
- UPS Air and UPS Ground rates are increasing an average of 4.9%, effective December 26, 2018.
- FedEx and UPS are taking different strategies for peak season surcharges.
- UPS is increasing its Third Party Billing fee from 2.5% to 4.5%.
- The highest surcharges for both carriers continue to be for larger packages that require special handling.





rate increase history

Before we dive into where we're going, it's important to understand where we've been. FedEx and UPS have a history of announcing similar average rate increases and instituting similar pricing strategies. With a few exceptions, this year is no different.

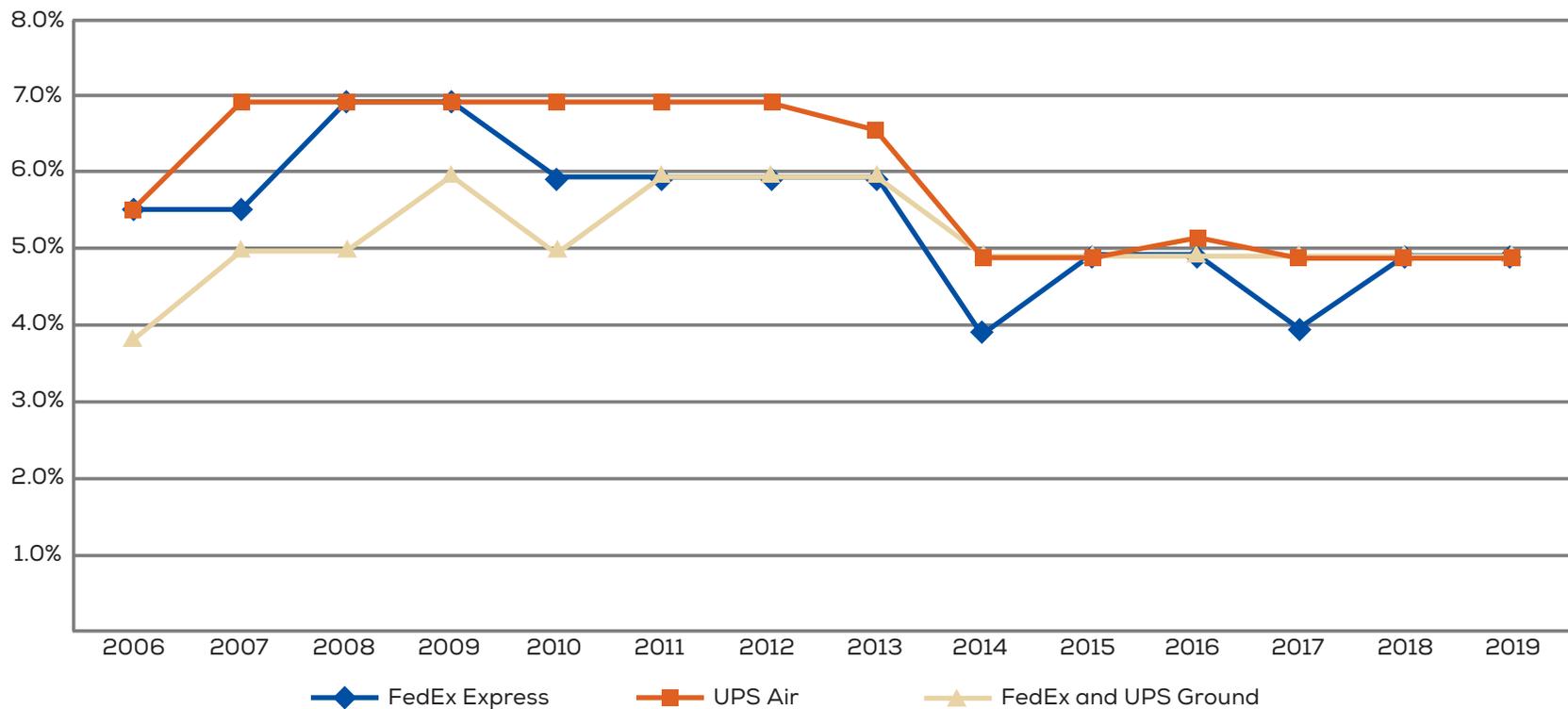
Both carriers have been making a growing number of updates to address trends brought on by e-commerce, including an increase in drop shipping, more residential deliveries, larger packages, and less consolidated shipments. This has resulted in a number of surcharge increases, as well as a more widespread use of dimensional weight pricing.

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Overall, we've seen a shift in the annual general rate increase (GRI). The announced average rate increases used to be higher, but now the carriers have moved away from a higher GRI, in favor

of making more minor adjustments throughout the year. Changes have become more complicated and spread out, making it even more important that shippers stay informed.

FedEx and UPS average rate increases





peak season changes

Ahead of the new 2019 rates, some changes to surcharges applied during the 2018 holiday season. From November 18 to December 1, UPS added a peak surcharge of \$0.28 on domestic residential ground packages. This included Black Friday and Cyber Monday – two of the busiest shopping days of the year. Right before Christmas, from December 16 to December 22, the charge on ground packages returned along with a \$0.84 charge for next-day air shipments or an additional \$0.99 for two-day or three-day delivery.

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In a notable departure from UPS, FedEx decided not to add a peak season surcharge for a second year in a row. Instead they opted to increase surcharges for packages that are big or bulky enough to require special handling. UPS also increased the cost of larger packages by adding additional peak season surcharges on top of the already existing surcharges. For example, if your package is considered "Over Maximum Limits" you will get hit with the \$650 surcharge that applies year-round along with an additional \$165 peak surcharge.

While UPS hasn't announced increases to its peak surcharges for the 2019 holiday season, the trend is likely to continue. It remains to be seen whether or not FedEx will continue to abstain from applying a similar charge in future years. For now, it's a significant competitive advantage that retailers should look into when deciding how to ship out orders during the busiest time of the year.





your rates will vary

Unfortunately, you can't simply budget for your small packages costs to go up 4.9% in 2019, as the averages are just that – averages. As always, how much more expensive your packages will be in the new year depends on many factors, including volume, size, weight, and zone.

The average rate increase announced by FedEx and UPS is arrived at by larger rate increases on certain shipment types and lower increases on others. There are also changes to surcharges that aren't included in those averages that could drive your costs way up. Several factors will determine your real rate increase impact in 2019. You will need to take into account your package characteristics, the services you use, and the zones you ship to.

ground rates

FedEx Ground rates and UPS Ground rates are nearly identical. For both carriers the rates for most packages weighing between 5 and 100 lbs. are increasing more than the announced average. However, depending on what kind of packages you're shipping, there could be some significant differences.

The highest increase we saw in the weights we evaluated for FedEx Ground is 6%. Most increases are around 5%, while a handful are on the very low end.

FedEx Ground and FedEx Home Delivery 2019 U.S. Base Rates

Delivery Commitment: 1-5 days based on distance to destination

Max Wt (lbs.)	Zone 2		Zone 3		Zone 4		Zone 5		Zone 6		Zone 7		Zone 8	
1	\$7.85	3.6%	\$8.23	-1.6%	\$8.96	4.3%	\$9.36	4.3%	\$9.68	4.3%	\$9.80	4.3%	\$9.96	4.3%
2	\$8.52	1.9%	\$9.48	4.3%	\$10.15	4.3%	\$10.37	4.3%	\$10.82	4.3%	\$11.24	4.3%	\$11.43	4.1%
3	\$8.87	4.4%	\$9.89	4.3%	\$10.70	4.3%	\$11.14	4.3%	\$11.59	4.3%	\$11.98	4.3%	\$12.57	4.3%
4	\$9.13	3.5%	\$10.05	3.5%	\$11.04	1.7%	\$11.75	3.5%	\$12.08	3.5%	\$12.87	4.3%	\$13.47	3.5%
5	\$9.37	5.0%	\$10.41	5.0%	\$11.42	2.2%	\$12.27	4.0%	\$12.80	5.0%	\$13.46	5.0%	\$14.22	4.0%
6	\$9.68	5.0%	\$10.69	5.0%	\$11.70	2.4%	\$12.63	5.0%	\$13.10	5.0%	\$13.81	5.0%	\$14.48	5.0%
7	\$10.23	5.0%	\$10.95	5.0%	\$12.00	3.3%	\$13.03	5.0%	\$13.34	5.0%	\$14.18	5.0%	\$15.18	5.0%
8	\$10.43	5.0%	\$11.24	5.0%	\$12.32	3.4%	\$13.28	5.0%	\$13.74	5.0%	\$14.61	5.0%	\$15.69	5.0%
9	\$10.59	5.0%	\$11.40	4.1%	\$12.48	3.3%	\$13.39	5.0%	\$14.04	5.0%	\$15.21	5.0%	\$16.52	5.0%
10	\$10.84	5.0%	\$11.51	5.0%	\$12.60	3.7%	\$13.76	5.0%	\$14.33	5.0%	\$16.10	5.0%	\$17.62	5.0%
20	\$13.08	5.8%	\$14.75	5.8%	\$15.06	5.8%	\$18.19	5.8%	\$21.18	5.8%	\$25.77	5.8%	\$28.98	5.0%
30	\$15.86	5.8%	\$18.61	5.8%	\$20.64	5.8%	\$24.49	5.8%	\$30.01	5.0%	\$35.19	5.0%	\$41.46	5.0%
40	\$18.07	6.0%	\$22.05	6.0%	\$25.01	6.0%	\$30.15	6.0%	\$37.71	5.3%	\$43.89	5.3%	\$51.40	5.3%
50	\$19.65	5.9%	\$24.58	5.9%	\$29.10	5.9%	\$35.29	5.9%	\$44.47	5.3%	\$53.17	5.3%	\$59.66	5.3%
60	\$20.63	5.9%	\$25.75	5.9%	\$30.50	5.0%	\$38.54	5.9%	\$45.70	5.0%	\$54.10	5.0%	\$64.22	5.0%
70	\$23.49	5.9%	\$30.15	5.9%	\$34.51	5.9%	\$42.32	5.9%	\$49.81	5.0%	\$56.63	5.0%	\$67.75	5.0%
80	\$31.75	5.9%	\$36.38	5.9%	\$39.75	5.9%	\$47.63	5.0%	\$56.16	5.0%	\$65.82	5.0%	\$70.20	5.0%
100	\$51.95	5.0%	\$52.40	5.0%	\$56.55	5.0%	\$60.71	5.0%	\$69.54	5.0%	\$76.89	5.0%	\$84.70	5.0%
125	\$68.90	4.3%	\$69.08	4.3%	\$72.88	4.3%	\$75.33	4.3%	\$84.07	4.3%	\$91.94	4.3%	\$102.51	4.3%
150	\$84.85	4.3%	\$87.16	4.3%	\$92.76	4.3%	\$94.33	4.3%	\$100.95	4.3%	\$108.83	4.3%	\$122.60	4.3%

Rate increases that are higher than the announced 4.9% average.

From the rates we looked at, the minimum increase for UPS Ground is 3.5%. Similar to FedEx, most increases are around 5%.

UPS Ground 2019 U.S. Base Rates

Delivery Commitment: 1-5 days based on distance to destination

Max Wt (lbs.)	Zone 2		Zone 3		Zone 4		Zone 5		Zone 6		Zone 7		Zone 8	
1	\$7.85	3.7%	\$8.65	3.5%	\$8.96	4.3%	\$9.36	4.3%	\$9.68	4.3%	\$9.80	4.3%	\$9.96	4.3%
2	\$8.65	3.5%	\$9.48	4.3%	\$10.15	4.3%	\$10.37	4.3%	\$10.82	4.3%	\$11.24	4.3%	\$11.43	4.1%
3	\$8.87	4.4%	\$9.89	4.3%	\$10.70	4.3%	\$11.14	4.3%	\$11.59	4.3%	\$11.98	4.3%	\$12.57	4.3%
4	\$9.13	3.5%	\$10.05	3.5%	\$11.24	3.5%	\$11.75	3.5%	\$12.08	3.5%	\$12.87	4.3%	\$13.47	3.5%
5	\$9.37	5.0%	\$10.41	5.0%	\$11.67	4.5%	\$12.27	4.0%	\$12.80	5.0%	\$13.46	5.0%	\$14.22	4.0%
6	\$9.68	5.0%	\$10.69	5.2%	\$12.01	5.1%	\$12.63	5.0%	\$13.10	5.0%	\$13.81	5.0%	\$14.48	5.0%
7	\$10.23	5.0%	\$10.95	5.2%	\$12.21	5.1%	\$13.03	5.0%	\$13.34	5.0%	\$14.18	5.0%	\$15.18	5.0%
8	\$10.43	5.2%	\$11.24	5.2%	\$12.51	5.1%	\$13.28	5.0%	\$13.74	5.0%	\$14.61	5.0%	\$15.69	5.0%
9	\$10.59	5.0%	\$11.40	4.3%	\$12.62	4.6%	\$13.39	5.0%	\$14.04	5.0%	\$15.21	5.0%	\$16.52	5.0%
10	\$10.84	5.2%	\$11.51	5.2%	\$12.75	5.1%	\$13.76	5.0%	\$14.33	5.0%	\$16.10	5.0%	\$17.62	5.0%
20	\$13.05	5.8%	\$14.72	5.8%	\$15.03	5.8%	\$18.15	5.6%	\$21.14	5.6%	\$25.72	5.6%	\$28.92	4.8%
30	\$15.83	5.8%	\$18.57	5.8%	\$20.60	5.8%	\$24.44	5.8%	\$29.95	5.0%	\$35.12	5.0%	\$41.38	5.0%
40	\$18.03	5.9%	\$22.01	6.0%	\$24.96	6.0%	\$30.09	6.0%	\$37.63	5.3%	\$43.80	5.3%	\$51.30	5.3%
50	\$19.61	5.9%	\$24.53	5.9%	\$29.04	5.9%	\$35.22	5.9%	\$44.38	5.3%	\$53.06	5.3%	\$59.54	5.3%
60	\$20.59	5.9%	\$25.70	5.9%	\$30.44	5.0%	\$38.46	5.9%	\$45.61	5.0%	\$53.99	5.0%	\$64.09	5.0%
70	\$23.44	5.9%	\$30.09	5.9%	\$34.44	5.9%	\$42.24	5.9%	\$49.71	5.0%	\$56.52	5.0%	\$67.61	5.0%
80	\$31.75	6.1%	\$36.38	6.1%	\$39.75	6.1%	\$47.63	5.2%	\$56.16	5.2%	\$65.82	5.2%	\$70.20	5.2%
100	\$51.95	5.0%	\$52.40	5.0%	\$56.55	5.0%	\$60.77	5.1%	\$69.61	5.1%	\$76.89	5.0%	\$84.70	5.0%
125	\$68.90	4.3%	\$69.08	4.3%	\$73.07	4.6%	\$75.69	4.8%	\$84.48	4.8%	\$92.39	4.8%	\$103.01	4.8%
150	\$84.85	4.3%	\$87.17	4.3%	\$93.00	4.6%	\$94.56	4.6%	\$101.20	4.6%	\$109.10	4.6%	\$122.91	4.6%

Rate increases that are higher than the announced 4.9% average.

next day air rates (priority services)

For the rates we evaluated, the average increase for FedEx Priority Overnight is 5.8%. While the majority of the rates are raising more than the announced average, the heaviest shipments tend to have the lowest increases, except in the farthest zones.

FedEx Priority Overnight 2019 Standard List Rates

Next day delivery by 10:30 a.m.

Max Wt (lbs.)	Zone 2		Zone 3		Zone 4		Zone 5		Zone 6		Zone 7		Zone 8	
FedEx® Envelope up to 8 oz.	\$24.40	5.4%	\$29.06	5.4%	\$37.09	5.4%	\$39.14	5.4%	\$39.71	5.4%	\$43.29	5.4%	\$45.27	5.4%
1	\$29.18	5.4%	\$43.20	5.4%	\$55.95	5.4%	\$62.68	5.4%	\$65.99	5.4%	\$72.78	5.4%	\$74.79	5.4%
2	\$29.56	5.4%	\$43.75	5.4%	\$61.10	5.4%	\$67.30	5.4%	\$72.59	5.4%	\$75.78	5.4%	\$83.54	5.4%
3	\$33.09	5.4%	\$48.19	5.4%	\$67.66	5.4%	\$76.92	5.4%	\$82.71	5.4%	\$88.20	5.4%	\$91.33	5.4%
4	\$35.67	5.4%	\$50.49	5.4%	\$75.68	5.4%	\$84.22	5.4%	\$87.29	5.4%	\$95.79	5.4%	\$99.39	5.4%
5	\$36.45	5.4%	\$50.72	5.4%	\$77.27	5.4%	\$84.97	5.4%	\$88.59	6.0%	\$97.11	6.0%	\$100.77	6.0%
10	\$43.07	5.4%	\$60.23	5.4%	\$101.80	5.4%	\$114.32	6.5%	\$119.11	6.0%	\$126.57	6.0%	\$132.52	6.0%
20	\$61.13	5.4%	\$86.73	5.4%	\$158.15	6.0%	\$174.25	6.0%	\$178.98	5.8%	\$189.21	5.8%	\$193.90	6.0%
30	\$76.17	5.4%	\$106.61	5.4%	\$211.49	5.4%	\$227.04	5.4%	\$233.85	5.4%	\$248.64	5.4%	\$261.25	5.4%
40	\$91.65	2.0%	\$131.59	5.4%	\$259.55	5.4%	\$278.97	5.4%	\$289.55	5.4%	\$305.67	5.4%	\$310.78	5.4%
50	\$112.32	5.4%	\$158.05	5.4%	\$293.90	5.4%	\$323.26	5.4%	\$333.07	5.4%	\$348.98	5.4%	\$368.67	5.4%
60	\$140.88	7.0%	\$203.65	8.0%	\$358.78	9.3%	\$397.33	9.3%	\$410.77	9.3%	\$443.13	8.8%	\$447.57	9.3%
70	\$164.99	7.0%	\$241.63	8.0%	\$413.49	9.3%	\$460.00	8.2%	\$464.61	9.3%	\$510.34	9.3%	\$542.69	9.3%
100	\$234.00	4.5%	\$326.00	3.8%	\$586.00	3.9%	\$633.00	3.3%	\$640.00	3.9%	\$742.00	9.4%	\$771.00	8.9%
125	\$292.50	4.5%	\$407.50	3.8%	\$732.50	3.9%	\$791.25	3.3%	\$800.00	3.9%	\$927.50	9.4%	\$963.75	8.9%
150	\$351.00	4.5%	\$489.00	3.8%	\$879.00	3.9%	\$949.50	3.3%	\$960.00	3.9%	\$1,113.00	9.4%	\$1,156.50	8.9%

Rate increases that are higher than the announced 4.9% average.

Comparable to FedEx, the average increase for UPS Next Day Air is 5.7%, and the majority of the rates are increasing more than the announced average. The highest increases are applying to shipments at the higher end of the spectrum in terms of distance and weight.

UPS Next Day Air 2019 Daily Rates

Next business day delivery by 10:30 a.m., 12:00 noon, or end of day, depending on destination

Zones	102		103		104		105		106		107		108	
Letter	\$24.64	5.4%	\$29.35	5.3%	\$37.45	5.9%	\$39.53	5.9%	\$40.11	5.9%	\$43.72	5.9%	\$45.71	5.9%
1 Lbs.	\$29.47	5.4%	\$43.63	5.5%	\$56.51	5.5%	\$63.31	5.5%	\$66.65	5.5%	\$73.51	5.5%	\$75.51	5.9%
2	\$29.86	5.4%	\$44.19	5.4%	\$61.71	5.5%	\$67.97	5.5%	\$73.32	5.4%	\$76.54	5.4%	\$84.38	5.5%
3	\$33.42	5.4%	\$48.67	5.4%	\$68.34	5.5%	\$77.69	5.5%	\$83.54	5.5%	\$89.08	5.5%	\$92.24	5.5%
4	\$36.03	5.4%	\$50.99	5.4%	\$76.44	5.5%	\$85.06	5.5%	\$88.16	5.4%	\$96.75	5.5%	\$100.38	5.5%
5	\$36.81	5.4%	\$51.23	5.4%	\$78.04	5.4%	\$85.82	5.4%	\$89.48	6.0%	\$97.98	5.9%	\$101.38	5.6%
10	\$43.50	5.4%	\$60.83	5.4%	\$102.82	5.4%	\$114.80	5.9%	\$120.30	6.0%	\$127.84	6.0%	\$133.85	6.0%
20	\$61.61	5.2%	\$87.60	5.4%	\$158.32	5.6%	\$174.43	5.6%	\$180.77	5.8%	\$191.10	5.8%	\$195.07	5.6%
30	\$76.62	5.0%	\$107.68	5.4%	\$212.51	5.4%	\$228.14	5.4%	\$235.97	5.6%	\$250.32	5.6%	\$263.01	5.6%
40	\$92.57	2.0%	\$132.91	5.4%	\$260.80	5.4%	\$280.84	5.6%	\$292.45	5.4%	\$308.66	5.6%	\$313.89	5.4%
50	\$112.72	5.1%	\$159.63	5.4%	\$295.56	5.5%	\$324.81	5.4%	\$336.40	5.5%	\$351.34	5.6%	\$372.36	5.5%
60	\$140.88	6.3%	\$203.65	6.9%	\$358.78	8.8%	\$397.33	8.8%	\$410.77	8.3%	\$443.13	7.8%	\$447.57	8.2%
70	\$164.99	6.3%	\$241.63	6.9%	\$413.49	8.2%	\$460.00	7.7%	\$464.61	8.2%	\$510.34	8.2%	\$542.69	8.2%
100	\$236.15	4.4%	\$329.26	3.8%	\$591.86	4.4%	\$639.33	3.8%	\$646.40	4.4%	\$742.00	8.9%	\$771.00	7.8%
125	\$295.19	4.4%	\$411.58	3.8%	\$739.83	4.4%	\$799.16	3.8%	\$808.00	4.4%	\$927.50	8.9%	\$963.75	7.8%
150	\$354.22	4.4%	\$493.89	3.8%	\$887.79	4.4%	\$959.00	3.8%	\$969.60	4.4%	\$1,113.00	8.9%	\$1,156.50	7.8%

Rate increases that are higher than the announced 4.9% average.

next day air rates (standard/saver services)

The rate increases for FedEx Standard Overnight vary greatly, with the lowest being 1.6% and the highest being 9.0%.

FedEx Standard Overnight 2019 Standard List Rates

Next day delivery by 3:00 p.m.

Max Wt (lbs.)	Zone 2		Zone 3		Zone 4		Zone 5		Zone 6		Zone 7		Zone 8	
FedEx® Envelope up to 8 oz.	\$23.94	5.0%	\$28.57	5.0%	\$35.49	5.0%	\$37.76	4.6%	\$38.14	5.0%	\$41.02	5.0%	\$42.90	5.0%
1	\$27.18	5.4%	\$37.04	5.7%	\$49.87	2.5%	\$55.97	5.4%	\$60.66	6.0%	\$64.70	6.0%	\$68.21	6.5%
2	\$28.71	5.4%	\$39.24	5.7%	\$56.25	2.5%	\$61.94	5.4%	\$68.50	6.0%	\$71.32	6.0%	\$76.11	6.5%
3	\$31.20	5.4%	\$41.51	5.7%	\$62.39	2.5%	\$68.62	5.4%	\$73.21	6.0%	\$78.50	6.0%	\$83.20	6.5%
4	\$33.65	5.4%	\$44.01	5.7%	\$67.58	2.5%	\$75.20	5.4%	\$82.97	6.0%	\$85.42	6.0%	\$91.10	6.5%
5	\$34.25	5.4%	\$44.39	5.7%	\$71.89	2.5%	\$81.76	5.4%	\$84.80	1.6%	\$87.30	1.6%	\$92.21	1.6%
10	\$40.82	5.4%	\$58.88	5.7%	\$98.08	1.6%	\$109.00	1.6%	\$114.11	1.6%	\$121.26	1.6%	\$126.96	1.6%
20	\$57.00	5.4%	\$82.48	5.7%	\$151.53	1.6%	\$166.96	1.6%	\$171.82	1.6%	\$181.65	1.6%	\$185.80	1.6%
30	\$71.83	5.4%	\$101.39	5.7%	\$199.52	2.5%	\$220.71	5.4%	\$227.85	5.5%	\$242.64	5.5%	\$255.25	5.5%
40	\$87.87	5.4%	\$122.79	5.7%	\$246.26	2.5%	\$272.64	5.4%	\$283.55	5.5%	\$294.56	6.0%	\$304.78	5.5%
50	\$104.20	5.4%	\$146.82	5.7%	\$279.67	2.5%	\$316.93	5.4%	\$327.07	5.5%	\$341.88	6.0%	\$362.67	5.5%
60	\$123.25	5.2%	\$180.02	5.8%	\$339.66	5.4%	\$389.70	9.0%	\$401.25	8.5%	\$431.25	7.5%	\$437.78	8.5%
70	\$149.41	5.4%	\$216.39	5.8%	\$392.41	5.4%	\$450.19	7.4%	\$454.70	8.5%	\$495.46	7.5%	\$529.73	8.0%
100	\$214.00	3.9%	\$316.00	3.6%	\$577.00	3.4%	\$624.00	2.8%	\$631.00	3.4%	\$725.00	7.9%	\$758.00	8.0%
125	\$267.50	3.9%	\$395.00	3.6%	\$721.25	3.4%	\$780.00	2.8%	\$788.75	3.4%	\$906.25	7.9%	\$947.50	8.0%
150	\$321.00	3.9%	\$474.00	3.6%	\$865.50	3.4%	\$936.00	2.8%	\$946.50	3.4%	\$1,087.50	7.9%	\$1,137.00	8.0%

Rate increases that are higher than the announced 4.9% average.

UPS Next Day Air Saver rates max out at a 9.9% increase. However, many of the increases are between 3.5% and 5.5%.

UPS Next Day Air Saver 2019 Daily Rates

Next business day delivery by 3:00 or 4:30 p.m. where UPS Next Day Air® delivery is committed by 10:30 a.m. or 12:00 noon, respectively

Zones	132		133		134		135		136		137		138	
Letter	\$24.10	5.2%	\$28.76	5.2%	\$35.84	5.0%	\$38.14	4.6%	\$38.52	5.0%	\$41.43	5.0%	\$43.33	5.0%
1 Lbs.	\$27.32	5.4%	\$38.71	9.9%	\$50.87	3.5%	\$56.53	5.4%	\$61.10	5.7%	\$65.63	6.5%	\$68.55	6.0%
2	\$28.85	5.4%	\$39.55	6.0%	\$57.37	3.5%	\$62.56	5.4%	\$69.01	5.7%	\$71.84	5.7%	\$76.49	6.0%
3	\$31.36	5.4%	\$43.38	9.9%	\$63.63	3.5%	\$69.37	5.5%	\$74.59	5.9%	\$79.54	6.3%	\$83.62	6.0%
4	\$33.82	5.4%	\$45.53	8.8%	\$68.93	3.5%	\$75.95	5.4%	\$83.57	5.7%	\$86.38	6.1%	\$91.56	6.0%
5	\$34.43	5.4%	\$45.74	8.4%	\$73.32	3.5%	\$82.58	5.4%	\$87.25	3.5%	\$89.83	3.5%	\$94.88	3.5%
10	\$41.02	5.4%	\$59.46	6.2%	\$100.92	3.5%	\$112.15	3.5%	\$117.41	3.5%	\$124.77	3.5%	\$130.62	3.5%
20	\$57.29	5.4%	\$82.89	5.7%	\$155.13	3.5%	\$170.71	3.5%	\$176.79	3.5%	\$186.90	3.5%	\$191.11	3.5%
30	\$72.19	5.4%	\$102.18	6.0%	\$202.61	3.5%	\$221.81	5.5%	\$230.13	5.5%	\$244.77	5.4%	\$257.50	5.4%
40	\$88.31	5.4%	\$123.40	5.7%	\$250.07	3.5%	\$274.00	5.5%	\$286.09	5.4%	\$296.03	5.5%	\$306.77	5.2%
50	\$104.72	5.4%	\$147.55	5.7%	\$285.23	3.5%	\$319.50	5.2%	\$330.05	5.4%	\$343.59	5.5%	\$365.32	5.2%
60	\$125.79	6.8%	\$181.83	6.3%	\$341.36	5.3%	\$391.65	8.5%	\$403.26	8.0%	\$433.41	7.0%	\$439.97	6.9%
70	\$150.16	5.4%	\$217.47	5.8%	\$396.33	4.4%	\$452.44	7.6%	\$456.97	6.9%	\$497.94	7.0%	\$532.38	7.5%
100	\$215.70	4.2%	\$319.16	4.1%	\$582.77	3.7%	\$631.21	3.5%	\$637.66	3.5%	\$728.63	7.4%	\$761.79	8.5%
125	\$269.12	4.0%	\$398.95	4.1%	\$728.46	3.7%	\$789.01	3.5%	\$797.08	3.5%	\$910.78	7.4%	\$952.24	8.5%
150	\$322.93	4.0%	\$478.74	4.1%	\$874.16	3.7%	\$940.59	2.8%	\$956.50	3.5%	\$1,092.94	7.4%	\$1,142.69	8.5%

Rate increases that are higher than the announced 4.9% average.

second day air rates

It's no surprise that the vast majority of second day air rates are increasing more than the announced average. This has been the norm for the last several years. For FedEx 2Day, most of the weights we evaluated are increasing between 6.0% and 7.0%.

FedEx 2Day 2019 Standard List Rates

Two day delivery by 4:30 p.m.

Max Wt (lbs.)	Zone 2		Zone 3		Zone 4		Zone 5		Zone 6		Zone 7		Zone 8	
FedEx® Envelope up to 8 oz.	**		**		**		**		**		**		**	
1	\$18.22	4.0%	\$18.99	4.0%	\$19.80	4.0%	\$22.44	4.0%	\$27.32	4.0%	\$28.86	4.0%	\$29.46	4.0%
2	\$18.96	6.4%	\$19.93	7.0%	\$20.58	6.0%	\$24.38	6.0%	\$30.80	6.0%	\$33.87	6.0%	\$35.65	6.0%
3	\$19.27	6.3%	\$20.58	7.0%	\$21.78	6.0%	\$26.84	6.0%	\$35.39	6.0%	\$39.23	6.0%	\$40.89	6.0%
4	\$19.85	6.4%	\$21.28	7.0%	\$23.57	6.0%	\$31.34	6.0%	\$40.89	6.0%	\$44.79	6.0%	\$46.53	6.0%
5	\$20.45	6.4%	\$21.98	7.0%	\$25.63	6.0%	\$34.81	6.0%	\$45.67	6.0%	\$49.91	6.0%	\$52.94	6.0%
10	\$24.51	6.4%	\$30.39	7.0%	\$37.71	6.0%	\$51.96	6.0%	\$73.38	6.0%	\$80.89	6.0%	\$83.44	6.0%
20	\$38.39	6.4%	\$45.22	7.0%	\$58.23	6.0%	\$83.33	6.0%	\$123.86	6.0%	\$134.05	6.0%	\$138.26	6.0%
30	\$50.62	6.3%	\$61.50	7.0%	\$78.38	6.0%	\$113.28	6.0%	\$169.86	6.0%	\$184.64	6.0%	\$190.96	6.0%
40	\$63.29	6.4%	\$77.57	7.0%	\$99.03	6.0%	\$142.44	6.0%	\$220.77	6.0%	\$238.13	6.0%	\$245.14	6.0%
50	\$74.65	6.4%	\$91.39	6.8%	\$117.45	6.0%	\$157.85	6.0%	\$267.43	6.0%	\$284.81	5.9%	\$287.66	3.9%
60	\$87.25	6.3%	\$106.46	6.3%	\$138.89	7.1%	\$191.22	9.3%	\$321.14	9.3%	\$336.48	6.6%	\$339.85	7.4%
70	\$99.52	7.0%	\$129.53	9.9%	\$152.36	7.8%	\$221.24	9.2%	\$360.83	9.3%	\$379.25	5.5%	\$383.05	6.4%
100	\$140.00	5.3%	\$168.00	8.4%	\$223.00	9.9%	\$312.00	5.8%	\$501.00	5.5%	\$556.00	8.8%	\$585.00	8.9%
125	\$175.00	5.3%	\$210.00	8.4%	\$278.75	9.9%	\$390.00	5.8%	\$626.25	5.5%	\$695.00	8.8%	\$731.25	8.9%
150	\$210.00	5.3%	\$252.00	8.4%	\$334.50	9.9%	\$468.00	5.8%	\$751.50	5.5%	\$834.00	8.8%	\$877.50	8.9%

Rate increases that are higher than the announced 4.9% average.

For UPS 2nd Day Air, the highest increase is 10.1%, while the average increase is 6.7%.

UPS 2nd Day Air 2019 Daily Rates

Second day delivery by the end of the second business day; Some locations in Alaska and Hawaii require additional transit time

Zones	202		203		204		205		206		207		208	
Letter	\$18.30	4.7%	\$19.08	4.8%	\$19.90	4.7%	\$22.44	7.0%	\$27.32	7.7%	\$28.86	8.0%	\$29.46	8.8%
1 Lbs.	\$18.40	4.0%	\$19.18	4.0%	\$20.00	4.1%	\$22.66	5.9%	\$27.59	5.0%	\$29.15	5.1%	\$29.75	5.2%
2	\$18.96	5.4%	\$20.02	6.4%	\$20.79	6.1%	\$24.42	6.9%	\$31.05	6.8%	\$34.13	6.9%	\$35.89	6.8%
3	\$19.27	5.4%	\$20.63	6.2%	\$22.00	6.1%	\$26.94	7.0%	\$35.68	6.9%	\$39.55	6.9%	\$41.18	6.9%
4	\$19.85	5.4%	\$21.34	6.3%	\$23.81	6.1%	\$31.40	6.8%	\$41.15	6.7%	\$45.06	6.7%	\$46.77	6.7%
5	\$20.45	5.4%	\$22.04	6.3%	\$25.89	6.1%	\$34.81	6.9%	\$45.96	6.7%	\$50.11	6.5%	\$53.11	6.5%
10	\$24.51	5.6%	\$30.39	6.3%	\$38.06	6.3%	\$51.96	6.9%	\$73.70	6.5%	\$80.89	6.3%	\$83.52	6.2%
20	\$38.39	5.7%	\$45.22	6.2%	\$58.52	5.8%	\$83.33	6.9%	\$123.86	6.2%	\$134.05	6.3%	\$138.26	6.4%
30	\$50.62	5.8%	\$61.50	6.3%	\$78.77	5.8%	\$113.28	7.2%	\$169.86	6.2%	\$184.64	6.3%	\$190.96	6.4%
40	\$63.29	5.9%	\$77.57	6.5%	\$99.53	5.8%	\$142.44	6.9%	\$220.77	6.2%	\$238.13	6.3%	\$245.14	6.4%
50	\$74.65	5.9%	\$91.39	6.3%	\$118.04	5.8%	\$158.10	6.2%	\$267.43	6.2%	\$284.81	6.1%	\$290.54	5.0%
60	\$87.25	5.8%	\$106.46	5.8%	\$139.58	7.2%	\$191.22	9.3%	\$321.14	9.3%	\$336.48	6.6%	\$339.85	7.4%
70	\$99.52	6.5%	\$129.53	9.4%	\$153.12	7.9%	\$221.24	9.2%	\$360.83	9.5%	\$381.38	6.1%	\$383.05	6.4%
100	\$140.00	4.6%	\$168.00	9.0%	\$223.00	9.9%	\$312.00	6.4%	\$501.00	5.5%	\$556.00	9.8%	\$585.00	10.1%
125	\$175.00	4.6%	\$210.00	9.0%	\$278.75	10.1%	\$390.00	6.4%	\$626.25	5.5%	\$695.00	9.8%	\$731.25	10.1%
150	\$210.00	4.6%	\$252.00	9.0%	\$334.50	10.1%	\$468.00	6.4%	\$751.50	5.5%	\$834.00	9.8%	\$877.50	10.1%

Rate increases that are higher than the announced 4.9% average.

third day air rates

Almost all of the rate increases for FedEx Express Saver are above the announced average. The highest increases can be found on shipments weighing 60 lbs. or more.

FedEx Express Saver 2019 Standard List Rates

Three day delivery by 4:30 p.m.

Max Wt (lbs.)	Zone 2		Zone 3		Zone 4		Zone 5		Zone 6		Zone 7		Zone 8	
FedEx® Envelope up to 8 oz.	**		**		**		**		**		**		**	
1	\$16.07	4.0%	\$16.24	4.8%	\$16.41	5.5%	\$18.35	5.9%	\$20.98	6.0%	\$21.64	6.0%	\$24.03	6.0%
2	\$16.37	4.1%	\$16.54	4.8%	\$16.71	5.5%	\$18.68	6.0%	\$22.37	6.0%	\$24.11	6.0%	\$27.90	6.0%
3	\$17.05	5.4%	\$18.19	5.4%	\$18.55	5.5%	\$20.72	6.0%	\$26.00	6.0%	\$26.98	6.0%	\$31.51	6.0%
4	\$17.34	5.3%	\$18.77	5.4%	\$20.16	5.5%	\$23.28	6.0%	\$27.36	6.0%	\$30.83	6.0%	\$36.04	6.0%
5	\$17.64	5.4%	\$19.06	5.4%	\$21.27	5.5%	\$24.23	6.0%	\$31.04	6.0%	\$34.03	6.0%	\$40.42	6.0%
10	\$20.50	5.4%	\$24.50	5.4%	\$30.56	5.5%	\$36.34	6.0%	\$48.10	6.0%	\$55.28	6.0%	\$64.02	6.0%
20	\$33.23	5.4%	\$41.08	5.4%	\$50.21	5.5%	\$60.74	6.0%	\$77.21	6.0%	\$90.90	6.0%	\$104.16	6.0%
30	\$46.09	5.4%	\$56.28	5.4%	\$69.08	5.5%	\$82.88	6.0%	\$113.43	6.0%	\$125.56	6.0%	\$143.24	6.0%
40	\$55.09	5.4%	\$66.82	5.4%	\$86.22	5.5%	\$103.67	6.0%	\$141.93	6.0%	\$158.03	6.0%	\$181.31	6.0%
50	\$65.48	5.4%	\$78.14	5.4%	\$102.35	5.5%	\$126.25	6.0%	\$161.81	6.0%	\$188.09	6.0%	\$215.16	6.0%
60	\$76.39	6.5%	\$94.64	6.5%	\$119.55	5.5%	\$152.30	9.0%	\$208.19	9.0%	\$235.13	9.0%	\$273.23	9.0%
70	\$88.74	6.3%	\$114.16	6.1%	\$141.05	5.4%	\$178.24	9.0%	\$233.09	8.3%	\$274.98	9.0%	\$319.60	9.0%
100	\$126.00	6.8%	\$155.00	6.9%	\$204.00	7.9%	\$248.00	9.3%	\$346.00	9.5%	\$382.00	9.5%	\$436.00	9.3%
125	\$157.50	6.8%	\$193.75	6.9%	\$255.00	7.9%	\$310.00	9.3%	\$432.50	9.5%	\$477.50	9.5%	\$545.00	9.3%
150	\$189.00	6.8%	\$232.50	6.9%	\$306.00	7.9%	\$372.00	9.3%	\$519.00	9.5%	\$573.00	9.5%	\$654.00	9.3%

Rate increases that are higher than the announced 4.9% average.

While the max increase for UPS 3 Day Select is only 6.5%, nearly all of the increases are above the announced average. The one exception is zone 307, where there are increases as low as 0.2%.

UPS 3 Day Select 2019 Daily Rates

Delivery by the end of the third business day

Zones	302		303		304		305		306		307		308	
1 Lbs.	\$11.23	5.6%	\$13.01	5.9%	\$13.94	5.9%	\$16.08	5.9%	\$19.91	5.9%	\$21.48	5.2%	\$23.29	5.9%
2	\$11.36	5.7%	\$13.79	5.9%	\$15.15	6.2%	\$17.76	6.2%	\$22.02	5.9%	\$24.08	4.7%	\$27.37	5.9%
3	\$12.70	5.9%	\$14.49	5.9%	\$16.56	6.2%	\$19.77	6.2%	\$25.65	6.2%	\$26.93	4.2%	\$31.21	5.9%
4	\$13.97	5.9%	\$16.01	6.2%	\$17.27	6.2%	\$22.15	6.2%	\$27.12	6.2%	\$30.51	3.7%	\$34.56	5.9%
5	\$14.82	5.9%	\$17.17	6.3%	\$18.86	6.3%	\$24.21	6.5%	\$30.25	5.9%	\$33.71	3.3%	\$38.16	5.9%
10	\$18.87	6.0%	\$23.33	6.2%	\$27.11	6.5%	\$33.91	6.5%	\$45.62	5.9%	\$51.98	2.2%	\$57.09	5.6%
20	\$26.57	5.6%	\$33.34	5.9%	\$40.67	5.9%	\$51.30	5.9%	\$72.25	5.6%	\$82.23	1.4%	\$91.57	5.3%
30	\$36.13	5.6%	\$43.63	5.6%	\$55.13	5.6%	\$69.25	5.6%	\$99.11	5.6%	\$113.37	1.0%	\$125.80	5.3%
40	\$44.09	5.3%	\$53.40	5.7%	\$69.12	5.6%	\$86.54	5.6%	\$126.38	5.6%	\$141.92	0.8%	\$158.24	5.3%
50	\$50.54	5.4%	\$65.35	5.6%	\$83.88	5.6%	\$105.37	5.6%	\$150.80	5.3%	\$170.40	0.7%	\$188.46	5.3%
60	\$59.69	5.3%	\$76.74	5.6%	\$97.70	5.6%	\$123.48	5.6%	\$179.51	5.6%	\$206.03	0.5%	\$231.33	5.3%
70	\$67.11	5.3%	\$89.12	5.3%	\$111.76	5.3%	\$143.57	5.6%	\$205.90	5.3%	\$239.69	0.5%	\$270.53	5.3%
100	\$98.19	5.3%	\$123.79	5.3%	\$156.46	5.3%	\$205.02	5.3%	\$293.37	5.3%	\$342.23	0.3%	\$382.86	5.3%
125	\$121.71	5.1%	\$151.19	5.0%	\$197.46	5.0%	\$256.17	5.3%	\$366.60	5.3%	\$427.76	0.3%	\$479.02	5.3%
150	\$143.91	5.0%	\$179.23	5.0%	\$231.89	5.0%	\$301.80	5.0%	\$439.93	5.3%	\$513.28	0.2%	\$574.85	5.3%

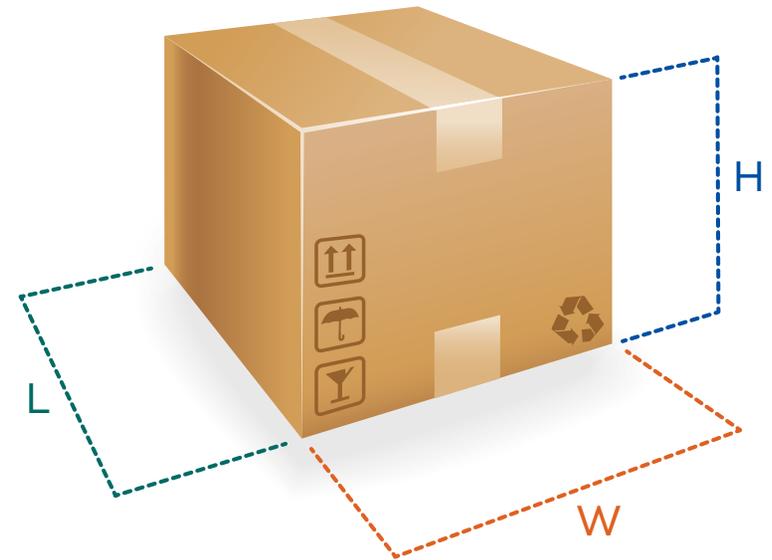
Rate increases that are higher than the announced 4.9% average.

dimensional (DIM) weight pricing

Over the past several years there have been a great deal of changes to how dimensional weight is calculated or when it is applied. For 2019 it appears that DIM weight pricing is remaining unchanged, but that doesn't mean you can dismiss it completely. It has a significant impact on how your shipment is rated.

The name of the DIM weight game is efficiency. Dimensional weight reflects package density, which is the total amount of space a package occupies in relation to its actual weight. The goal of FedEx and UPS is to encourage shippers to eliminate unused space in their packages, because light, bulky packages are hurting the carriers' bottom line.

To find your dimensional weight, first calculate your cubic inches (length x width x height) and then divide that by 139 (the dimensional divisor). If it's higher than your actual weight, the dimensional weight is what you will be billed on. You don't want to get stuck paying for empty, unused space so make sure to size your packaging right. Don't use oversized boxes and consolidate orders when possible.



$$\frac{(\text{length} \times \text{width} \times \text{height})}{\text{DIM factor}} = \text{DIM weight}$$

Visit PartnerShip.com/DIMcalculator to quickly find your billable weight.

surcharges are not immune to increases

Both FedEx and UPS also announced increases to other fees and surcharges for 2019. The table below provides a look at some of the more common fee changes and their updates for the new year.

Address Corrections continue to be a costly mistake and Additional Handling is on the rise. In fact, both UPS and FedEx increased fees for Additional Handling ahead

of the GRIs – in September and July respectively.

Another surcharge to note is the Third-Party Billing fee. UPS is increasing this to 4.5% of total cost, from 2.5% in 2018. FedEx has not announced any plans to increase its Third-Party Billing fee but if history is any indication, it's likely it'll follow in the footsteps of UPS in future years.

Surcharges	2018	2019	% Change
Delivery Area Surcharge Commercial/Extended Commercial FedEx Express	\$2.70	\$2.85	5.6%
Delivery Area Surcharge Commercial/Extended Commercial UPS Air	\$2.75	\$2.95	7.3%
Delivery Area Surcharge Commercial/Extended Commercial FedEx Ground	\$2.55	\$2.70	5.9%
Delivery Area Surcharge Commercial/Extended Commercial UPS Ground	\$2.60	\$2.80	7.7%
Delivery Area Surcharge Residential FedEx Express, FedEx Ground	\$4.00	\$4.20	5.0%
Delivery Area Surcharge Residential FedEx Home	\$3.45	\$3.65	5.8%
Delivery Area Surcharge Residential UPS Air	\$4.05	\$4.35	7.4%
Delivery Area Surcharge Residential UPS Ground	\$3.50	\$3.80	8.6%
Delivery Area Surcharge Extended Residential FedEx	\$4.40	\$4.65	5.7%
Delivery Area Surcharge Extended Residential UPS	\$4.45	\$4.85	9.0%
Residential Delivery Charge FedEx Express, FedEx Ground	\$4.15	\$4.40	6.0%
Residential Delivery Charge FedEx Home Delivery	\$3.60	\$3.80	5.6%
Residential Delivery Charge UPS Air	\$4.15	\$4.55	9.6%
Residential Delivery Charge UPS Ground	\$3.60	\$3.95	9.7%
Address correction FedEx	\$15.00	\$16.00	6.7%
Address correction UPS	\$15.90	\$16.40	3.1%
Additional Handling FedEx Express, FedEx Ground (exceeding 70 lbs in actual weight)	\$20.00	\$20.00	0.0%
Additional Handling FedEx Express, FedEx Ground (all other packages)	\$12.00	\$13.50	12.5%
Additional Handling UPS Ground, UPS Air (exceeding 70 lbs in actual weight)	\$19.00	\$23.00	21.1%
Additional Handling UPS Ground, UPS Air (all other packages)	\$12.00	\$14.25	18.8%
Third-Party Billing FedEx	2.5%	2.5%	0.0%
Third-Party Billing UPS	2.5%	4.5%	80.0%

large packages will cost you big

Surcharges for oversized packages are exploding. Not only are they increasing at a higher rate than most surcharges, they are by far the most costly. It's easy to get confused about when your package qualifies as large, oversize, etc. Here's how they are defined:

- **Oversize charge (FedEx Express and FedEx Ground):** Applies to packages that exceed 96 inches in length or 130 inches in length and girth. These packages are also subject to a minimum billable weight of 90 lbs.
- **Ground Unauthorized Charge (FedEx Ground):** Applies to packages that measure more than 108 inches in length, measure more than 165 inches in length and girth combined, or weigh more than 150 lbs.
- **Over Maximum Limits (UPS):** Applies to packages that weigh more than 150 lbs., exceed 108 inches in length, or exceed a total of 165 inches in length and girth combined.
- **Large Package (UPS):** Applies to packages that exceed 96 inches in length or 130 inches in length plus girth. These packages are also subject to a minimum billable weight of 90 lbs.



If you take a closer look at the surcharges for larger packages, you'll notice just how much FedEx and UPS don't want to move these types of shipments through their networks. The increases for 2019 don't paint a complete picture. FedEx isn't increasing its Unauthorized Packages charge for the start of 2019, but that's probably because they recently raised the cost from \$300 to \$675 in July 2018. UPS is raising the cost of its Over Maximum Limits to a whopping \$850 after increasing the cost to \$675 just this past September.

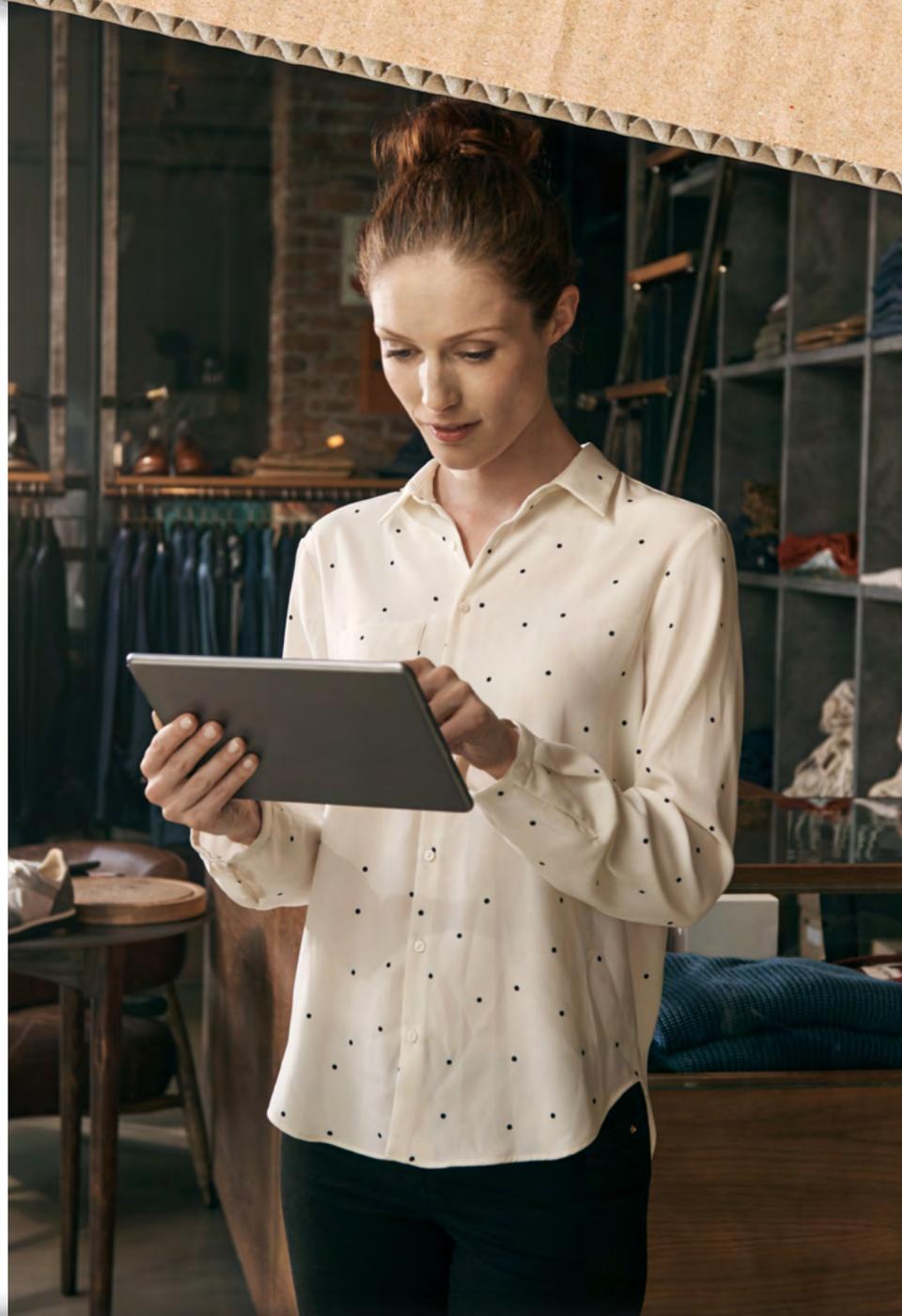
The steep rise in these surcharges is a direct response to the growing number of large and bulky items like furniture and sports equipment being shipped. Items that you never would've considered ordering online a decade ago, like mattresses, have become more and more common. The automated systems FedEx and UPS use to sort and process shipments can't handle these larger packages, so they require special handling – which is why they're passing the buck to the shipper.

Surcharges	2018	2019	% Change
Unauthorized Packages Charge FedEx Ground	\$675.00	\$675.00	0.0%
Over Maximum Limits UPS Ground, UPS Air	\$650.00	\$850.00	30.8%
Oversize Charge FedEx Express, FedEx Ground	\$80.00	\$90.00	12.5%
Large Package UPS (commercial packages)	\$80.00	\$95.00	18.8%
Large Package UPS (residential packages)	\$90.00	\$115.00	27.8%

in conclusion

As it has been in the past, the real effect of the 2019 rate increases depend on what you ship, where you ship it, and your package characteristics. The important takeaway is that the announced 4.9% average increase paints an inaccurate and incomplete picture of the true impact to your business.

If you find yourself confused by base rates, average increases, surcharges, and DIM weight pricing – rest assured that PartnerShip® is here to help. Businesses that enroll in one of our exclusive shipping programs receive significant savings and valuable tools at no cost. Let one of our shipping experts provide you with a [free, no obligation shipping analysis](#) to ensure you are getting the most for your shipping dollars and help offset these increases.





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