

2016

ANNUAL CARRIER

GENERAL PRICE INCREASE



 Lojistic



2016 Carrier Rate Increase



Dear Parcel Shipper,

Over the past decade (2006-2016), UPS and FedEx ground tariff rates have increased **79.2%** while air tariff rates have increased **95.5%**. These figures do not include the infamous dimensional weight pricing changes of 2011 and 2015...ouch!

GROUND SHIPPING RATES

↑ **79.2%***

HAVE INCREASED
OVER THE PAST DECADE

AIR SHIPPING RATES

↑ **95.5%***

HAVE INCREASED
OVER THE PAST DECADE

What are you doing to offset this year's increase?

This document summarizes the UPS and FedEx General Price Increase (GPI) for 2016.

UPS

Effective Date:
December 28, 2015

Avg. Air Increase
5.2%

Avg. Ground Increase
4.9%

FedEx

Effective Date:
January 4, 2016

Avg. Air Increase
4.9%

Avg. Ground Increase
4.9%

So, how does this affect you? The impact to you will vary according to service level usage, zone density, package characteristics, and distribution model. If you would like to discuss strategies to mitigate these rate increases, specific to your organization, please contact Lojistic.

Best wishes in 2016.

Cheers,

Jared Fisher
Executive Vice President
Lojistic

*combined UPS & FedEx average

Annual Carrier General Price Increase

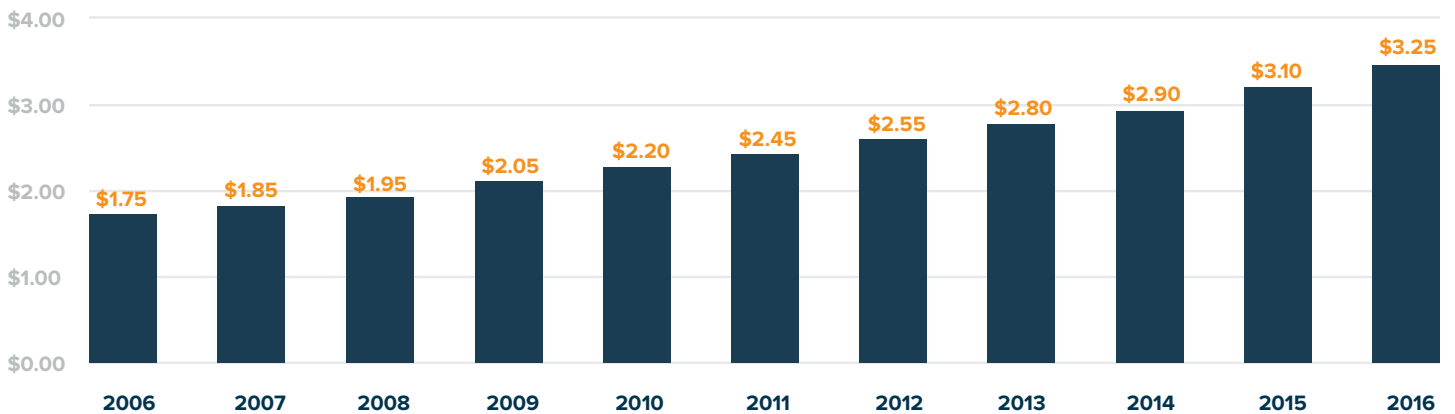


AIR PRICE INCREASE YEAR TO YEAR

GROUND PRICE INCREASE YEAR TO YEAR



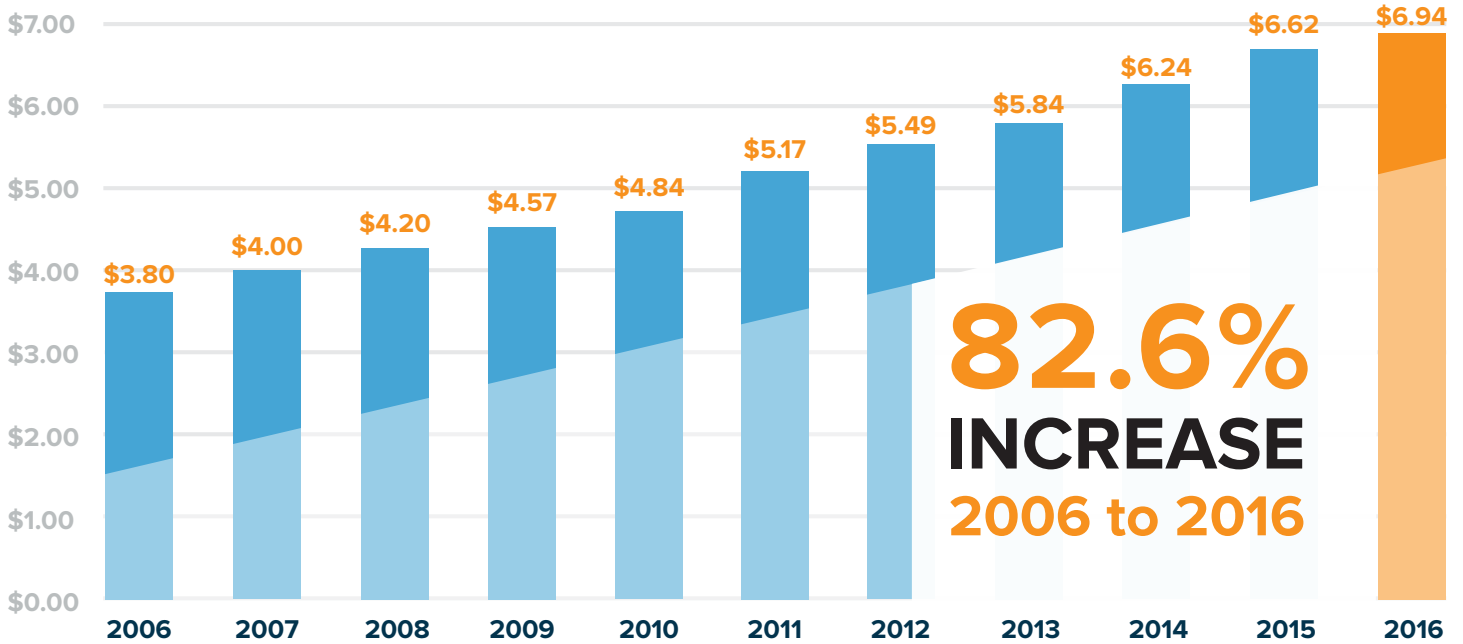
GROUND RESIDENTIAL FEE



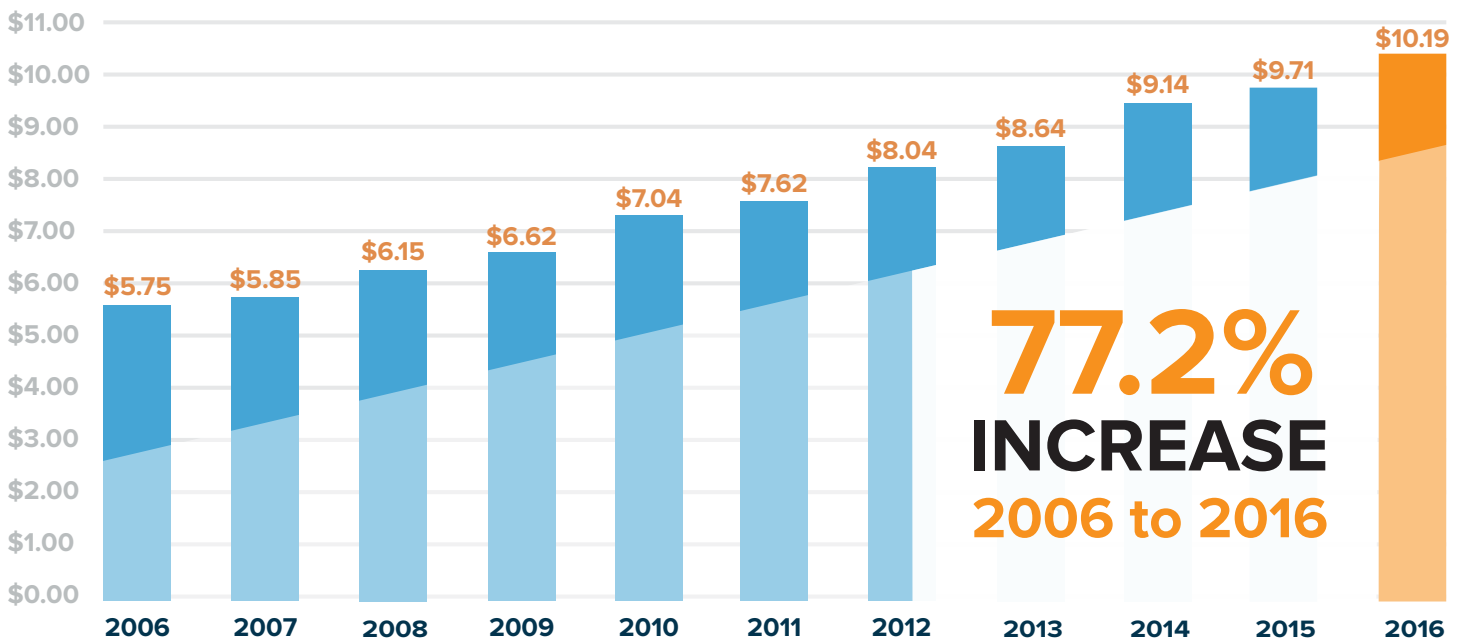
Annual Carrier General Price Increase



GROUND COMMERCIAL MINIMUM CHARGE



GROUND RESIDENTIAL MINIMUM CHARGE



2016 | Summary of Carrier Rate Increase



Effective December 28, 2015 (UPS) & January 4, 2016 (FedEx), the carriers will implement another costly general price increase for small parcel shippers. This general price increase is in addition to the two adjustments both carriers made to their Fuel Surcharge indices (February and November), which resulted in increases and the adjustment both carriers made to the Large Package surcharge in November 2015.

It is important to understand that the announced rate increases are only averages and the impact to your company could vary greatly. Please contact Lojistic to discuss the significance of this rate increase specific to your business.

UPS - Effective December 28, 2015

UPS Ground:

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

- Ground Commercial Minimum Charge: Increase of \$0.33 (5.0%) from \$6.61 to \$6.94
- Ground Residential Minimum Charge: Increase of \$0.48 (4.9%) from \$9.71 to \$10.19

UPS Air & International:

Air & International rate increase was announced at 5.2%

Surcharge & Accessorial Changes:

- Air Residential: Increase of \$0.15 (4.3%) from \$3.50 to \$3.65
- Ground Residential: Increase of \$0.15 (4.9%) from \$3.10 to \$3.25
- DAS Commercial Air (includes Extended): Increase of \$0.10 (4.3%) from \$2.35 to \$2.45
- DAS Commercial Ground (includes Extended): Increase of \$0.10 (4.6%) from \$2.20 to \$2.30
- DAS Residential Air: Increase of \$0.15 (4.4%) from \$3.55 to \$3.70
- DAS Residential Ground: Increase of \$0.15 (5.0%) from \$3.00 to \$3.15
- DAS Residential Air Extended: Increase of \$0.15 (4.1%) from \$3.80 to \$3.80
- DAS Residential Ground Extended: Increase of \$0.20 (5.4%) from \$3.80 to \$4.00
- Delivery Confirmation (signature required): Increase of \$0.25 (10%) from \$2.50 to \$2.75
- Address Correction: Increase of \$0.50 (4.0%) from \$12.50 to \$13.00
- **Third-Party Billing Service Fee of 2.5% applicable to the total charges on all packages that are billed to third parties**

FedEx - Effective January 4, 2016

FedEx Ground:

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

- Ground Commercial Minimum Charge: Increase of \$0.33 (5.0%) from \$6.61 to \$6.94
- Ground Residential Home Delivery Minimum Charge: Increase of \$0.48 (4.9%) from \$9.71 to \$10.19

FedEx Air & International:

Air & International rate increase was announced at 4.9%

Surcharge & Accessorial Changes:

- Air & Ground Residential: Increase of \$0.15 (4.3%) from \$3.50 to \$3.65
- Home Delivery Fee: Increase of \$0.15 (4.9%) from \$3.10 to \$3.25
- Declared Value: Increase of \$0.05 (5.6%) to \$1.00 per \$100 in value with minimum charge increase of \$0.10 3.59%) to \$3.00
- DAS Commercial Air (includes Extended): Increase of \$0.10 (4.3%) from \$2.35 to \$2.45
- DAS Commercial Ground (includes Extended): Increase of \$0.10 (4.7%) from \$2.20 to \$2.30
- DAS Residential Air & Ground: Increase of \$0.15 (4.4%) from \$3.55 to \$3.70
- DAS Residential Home Delivery: Increase of \$0.15 (5.9%) from \$3.00 to \$3.15
- DAS Residential Extended (Air & Ground): Increase of \$0.20 (5.4%) from \$3.80 to \$4.00
- Home Delivery Extended Residential: Increase of \$0.18 (5.0%) from \$3.80 to \$3.80
- Address Correction: Increase of \$0.50 (4.9%) from \$12.50 to \$13.00

2016

ANNUAL CARRIER GENERAL PRICE INCREASE

It is important to understand that the announced rate increases are only averages and the impact to your company could vary greatly.

Please contact Lojistic to discuss the significance of this rate increase specific to your business.

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