



# 2025 GRI Rate Guide

November 2024





# A Message from Our Founder

## Embracing a Culture of Innovation in the Parcel Industry

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As anyone reading this already knows, properly managing parcel shipping expenses has a direct impact on a company's bottom line. You also know that it's not easy.

The explosive growth of eCommerce combined with continually rising consumer expectations for fast, reliable deliveries, has placed immense pressure on shippers to control costs, optimize operations, and meet service levels - all while dealing with an increasingly complex logistics landscape. For shippers to navigate these challenges successfully, the parcel shipping industry needs to fully embrace a culture of innovation.

When I say a culture of innovation, what it really comes down to is changing the way that you look at managing expenses. Shippers should be empowered to make faster, smarter shipping decisions themselves, enabling them to stay agile, competitive, and in full control of their operations.

Technology is the enabler that makes this happen.

Parcel Spend Management (PSM) 2.0 technology - which is what powers our Shipping Intelligence Platform - goes beyond traditional cost management tools, offering real-time visibility, actionable insights, and enhanced control over shipping expenses and carrier performance.

While PSM 2.0 offers powerful capabilities, its true potential can only be realized in an environment that embraces innovation as a core value. PSM 2.0 empowers shippers to:

**Encourage Data-Driven Decisions:** By fostering a data-driven mindset, shippers can empower their teams to make decisions based on facts and insights rather than assumptions. PSM 2.0's real-time analytics and reporting make it easier for logistics teams to access the information they need to make informed choices.

**Promote Cross-Functional Collaboration:** Innovation thrives in collaborative environments. Encourage open communication between logistics, finance, procurement, and customer



# A Message from Our Founder

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service teams. By sharing insights across departments, shippers can align goals, streamline operations, and deliver better service to customers.

**Invest in Continuous Learning:** Parcel shipping is a rapidly evolving field. To stay competitive, shippers should invest in continuous learning and training, ensuring their teams stay up to date with the latest tools, trends, and best practices.

**Celebrate Successes and Learn from Failures:** Innovation requires a willingness to experiment and adapt. Celebrate cost savings and operational improvements achieved, and analyze any failures to learn from them.

In order to address the challenges that modern shippers face, the industry needs a cultural shift - one that embraces technology and innovation, and encourages shippers to take a proactive, self-service approach to parcel spend management.

Read on for details about what to expect in terms of rate increases in 2025 - and remember to embrace innovation and a proactive approach to managing parcel spend as you make plans and adjustments in line with this year's rate increases.

We here at Reveel are here to help, this year and every year.

Sincerely,

*Josh Dunham*

CEO and co-founder, Reveel

## Changing From Annual Increases to Continual Increases

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This year's round of general rate increases by the biggest two carriers, FedEx and UPS, bring with them a surface-level surprise: the real-life increases that will be incurred by shippers are actually relatively close to the published rates of 5.9%. This hasn't happened for several years - and as a result, shippers have gotten used to the idea that the published rate is only the starting point for their annual rate increases, especially once changes, hidden fees and new surcharges are added in.

This change in approach is both surprising - and not so surprising. On one hand, carriers have experienced drop offs in volume, and therefore revenues, since the pandemic years. There is increased competition - especially from regional carriers, the US Postal Service, Amazon and others. Just a few years ago the big two carriers were turning business away, where now they see themselves competing for it yet again.

That said, instead of waiting for peak season and the annual rate increase, FedEx and UPS have been increasing rates regularly throughout the calendar year. There have been increases in fuel surcharges - increasing the amount levied on shippers, despite fuel prices coming down globally. The carriers have changed the rules around which zip codes qualify for additional surcharges and fees as well, raising prices for shippers in urban areas where many conduct a large amount of their business. These are

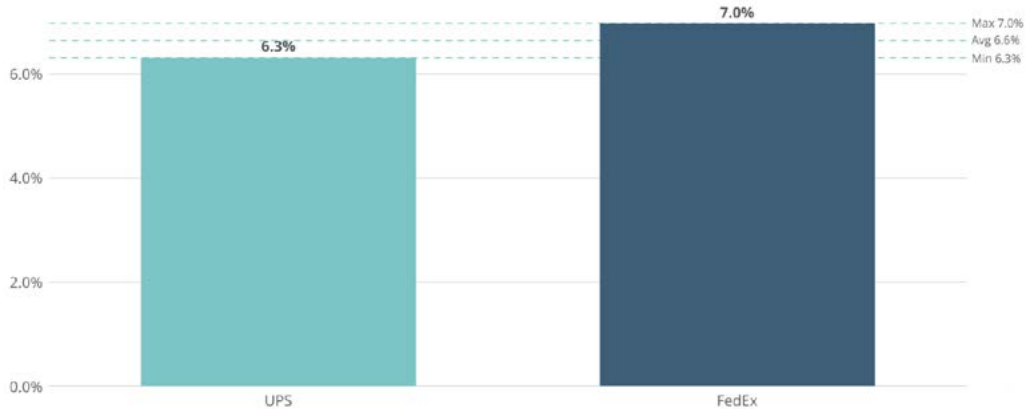
likely the first steps on the road towards a dynamic pricing strategy by the carriers, where costs (and thus, expenses) are constantly changing alongside changing industry variables such as fuel, weather, timing and more.

The point is that the carriers have been able to bring their increases closer to the published GRIs this year because they've already added new increases in the past few months that shippers have had to deal with. By spreading these out, GRIs feel like less of an impact on the bottom line.

That said, this year's GRIs also foreshadow a strategy that the big two carriers are looking to implement moving forward: to disincentivize heavier, long-distance packages by raising rates and applying larger increases to specific zones and weights. They're looking to push shippers to use more ground services for heavier, less profitable packages.

Reveel's 2025 GRI guide walks through exactly what to expect in terms of rate increases, surcharges, and tweaks to how the carriers calculate their charges. This level of analysis is invaluable to shippers looking to ensure that they make the correct, data-driven decisions necessary to offset these increases and continue to deliver the service customers have come to expect.

## FedEx & UPS GRI (2025) - 2025 Published Increase (Domestic)



## The Snapshot

### UPS

- Announced increase: 5.9%
- Modeled increase: 6.3%

### Biggest Service Impact

- Ground Commercial
- Ground Residential
- 2nd Day Early A.M.
- Additional Handling
- Large Package Surcharges

### Businesses Likely Hit the Hardest

- Furniture / Home Goods
- Sports Equipment

### FedEx

- Announced increase: 5.9%
- Modeled increase: 7.0%

### Biggest Service Impact

- Ground Commercial
- Home Delivery
- FedEx 2Day
- Express Saver
- Additional Handling
- Oversize Surcharge

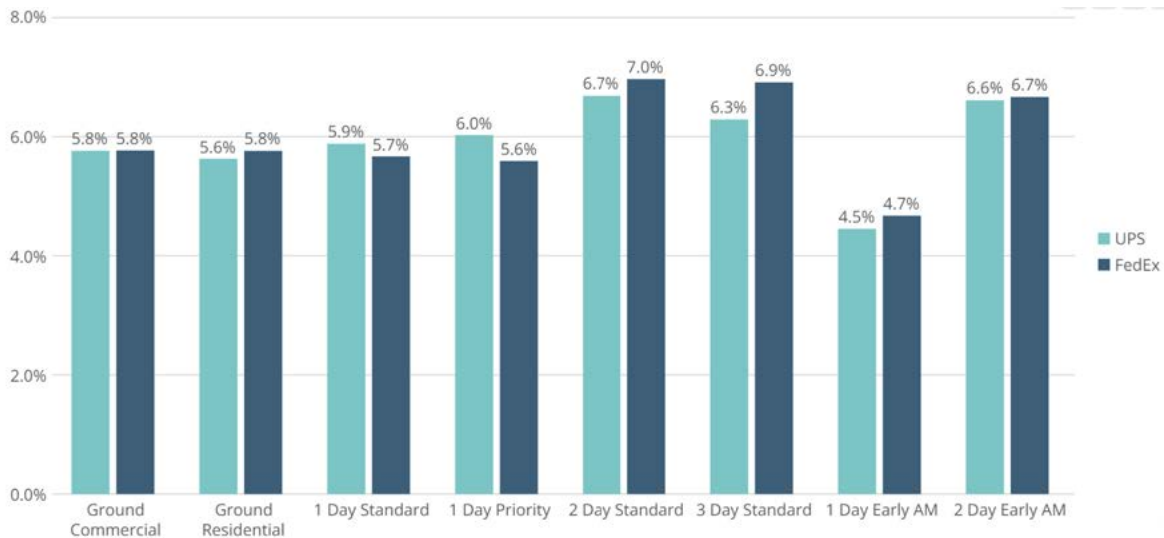
### Businesses Likely Hit the Hardest

- West / East Coast Businesses
- Furniture / Home Goods
- Sports Equipment
- Healthcare / Pharmaceuticals

Entering 2025, the General Rate Increase (GRI) strategies implemented by FedEx and UPS will center on parcel weight and size. Larger, heavier shipments will receive outsized year-over-year increases, and surcharges commonly associated with this volume, such as Additional Handling and Large Package (Oversize) charges, will similarly increase. This approach continues the strategic direction implemented post-2020, where both FedEx and UPS have heavily prioritized revenue quality by disincentivizing bulkier shipments.

It is important to note that shippers should view the 2025 increase not as a one-to-one comparison between FedEx and UPS; FedEx is not inherently more expensive than UPS. The increases levied across the board are actually more similar than different. Rather, FedEx shows a higher increase because they focus on packages over 10 lbs. In weight. These packages are much more likely to be bulkier and incur size and/or weight based surcharges. This is especially true for Ground services. 2025 should instead be seen as a focus by both carriers on their market share.

## 2024 - 2025 Published Transportation Net Increase by Service Level



Across US Domestic services, both carriers arrived at near identical percent increases with their 2025 Transportation rates – exclusive of any accessorial or surcharges. Looking agnostically, the aggregated average across each service level is roughly the same. However, this similarity belies the underlying differences between each carrier and the real impact on shippers, especially when considering weight and zone.

FedEx, for example, adopted a more targeted application of higher increases to specific weights and zones – especially on 2-Day and Express Saver (3-Day) services.

FedEx focused heavily on shipments greater than 10 lbs. with increases on 2 and 3-day services increasing by approximately +7%. This target aligns closely with the “sweet spot” weight that Reveel typically sees with FedEx shippers (between 11-20 lbs.). An analysis focused on zones also shows higher increases for zones 5- 8 on these services.



## 2024 - 2025 Published Transportation Net Increase by Weight (FedEx)

1 Day Early AM	4.1%	4.5%	4.8%	5.3%	5.7%
1 Day Priority	5.4%	5.7%	5.6%	5.6%	5.8%
1 Day Standard	5.6%	5.5%	5.8%	5.7%	5.2%
2 Day Early AM	6.7%	6.6%	6.9%	6.8%	6.6%
2 Day Standard	5.5%	5.7%	6.6%	7.3%	7.4%
3 Day Standard	3.0%	6.3%	7.0%	7.0%	6.7%
Ground Commercial	5.1%	5.1%	6.0%	6.1%	6.5%
Ground Residential	5.1%	5.0%	6.1%	6.2%	6.4%
	A) 1-5 lbs.	B) 6-10 lbs.	C) 11-20 lbs.	D) 21-100 lbs.	E) 101-150 lbs.

## 2024 - 2025 Published Transportation Net Increase by Zone (FedEx)

1 Day Early AM	3.6%	5.6%	4.6%	4.7%	4.8%	4.7%	4.7%
1 Day Priority	5.8%	7.4%	5.5%	5.5%	5.5%	5.3%	5.3%
1 Day Standard	5.8%	7.3%	5.5%	5.6%	5.7%	5.4%	5.3%
2 Day Early AM	5.4%	7.5%	7.8%	7.8%	5.9%	5.9%	5.8%
2 Day Standard	5.8%	5.9%	5.9%	7.5%	7.2%	7.2%	7.1%
3 Day Standard	4.2%	4.4%	4.3%	7.4%	7.5%	7.5%	7.5%
Ground Commercial	5.5%	5.4%	5.6%	5.7%	6.1%	6.3%	6.2%
Ground Residential	5.4%	5.4%	5.6%	5.6%	6.0%	6.3%	6.2%
	2	3	4	5	6	7	8

FedEx shippers most likely impacted by the 2025 GRI - those that will see above +7% - will likely fit one or more of the following profile characteristics.

- One point of origin located on the East or West Coast
- Heavy utilization of 2-Day / 3-Day services
- Average parcel weight greater than 10 lbs.
- Surcharges exceed ~20% of total spend

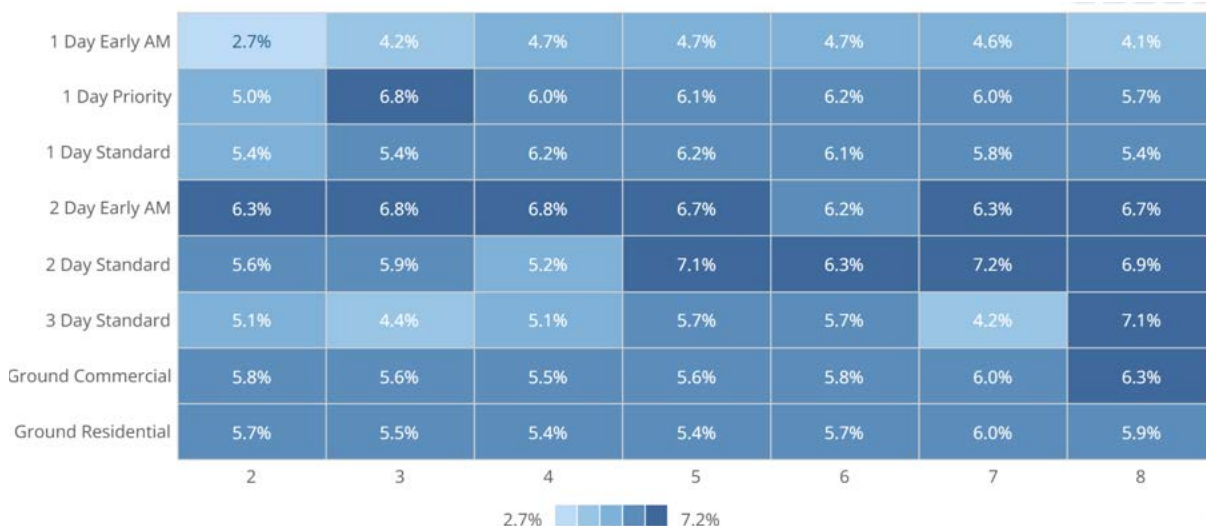
UPS, by contrast, applied a more uniform increase across all weights – especially on lighter shipments. Reveel identified some targeted pricing (e.g., 2- and 3-day services will generally receive higher discounts like FedEx), but overall, the UPS approach was more universally applied than FedEx. Based on the Reveel analysis, we believe this approach is driven by a broader UPS presence in the 1-10 lbs. market space relative to FedEx.

In fact, this analysis is supported by a quick analysis of volume vs. weight. UPS packages between 1-5 lbs. account for ~23.3% of all UPS' volume, while FedEx packages between 1-5 lbs. Only account for ~6.3% of FedEx's total volume.

### 2024 - 2025 Published Transportation Net Increase by Weight (UPS)



### 2024 - 2025 Published Transportation Net Increase by Zone (UPS)







UPS shippers most likely impacted by the 2025 GRI - those that will see above +6.0% - will likely fit one or more of the following profile characteristics.

- Heavy utilization of 2-Day / 3-Day services
- Esp. 3 Day, less than 5 lbs.
- Average parcel weight greater than 10 lbs.
- Surcharges exceed ~20% of total spend

## Reveel's Advanced Analytics Help You Navigate the Annual Rate Increases

Reveel is here to help your organization navigate these annual rate changes and fee increases, so that your shipping strategy for 2025 is optimized.

We're the only Parcel Spend Management (PSM) 2.0 platform that uses advanced analytics, modeling, simulation, statistical analysis, and machine-generated real-time insights to tell you where you can improve your shipping operations. And Reveel doesn't just tell you where improvements can be made, it shows you how to get started. Our Shipping Intelligence Platform transforms previously complex shipping data into simple ways to save money, doing the hard work for you.

We highly recommend taking another look at your carrier contracts to see how your operations are impacted by not only the 2025 GRI, but also the accompanying fees and service changes made by the carriers that can silently increase expenses.

Reveel's Impact Analysis tool can provide personalized insights and solutions that will help mitigate the impact of this year's UPS and FedEx GRI increases. PSM 2.0 can help you keep your shipping costs in check.

# 2025 Highlights

Among the traditional rate increases, there are often a few additional charges and changes to the carrier pricing. Here are some highlights:

- Implemented on October 21, 2024, UPS began assessing a +2% surcharge on all invoices paid via credit card.
- Additional Handling and Large Package (Oversize) surcharges take center stage in 2025, with increases to pricing and changes in definition:
- Additional Handling – across all categories – will increase between +26-29% year over year, depending on type, zone and carrier.
  - UPS announced two changes to Additional Handling:
    - There is a 40 lb. minimum billable charge starting on October 21, 2024.
    - The length + girth definition will be replaced by cubic volume metrics.
  - In the past five years, both FedEx and UPS have effectively doubled Large Package and Oversize surcharges - there is no indication that this will change.
  - Large Package and Oversize surcharges will increase between +21-29% year over year, depending on type, zone and carrier.
- UPS also announced that in 2025, Large Package surcharges will be assessed based on 'revised calculations' using cubic volume, length, and/or weight.
- Residential surcharges will incur a modest bump, averaging +\$0.40 across both carriers.
  - UPS continues to focus its increases on Ground Residential surcharges.
  - FedEx appears committed to increasing margin on Air Residential surcharges.
- Delivery Area surcharges (DAS) will increase an average of 6-7% across both FedEx and UPS, slowing the rate of increase seen in recent years.

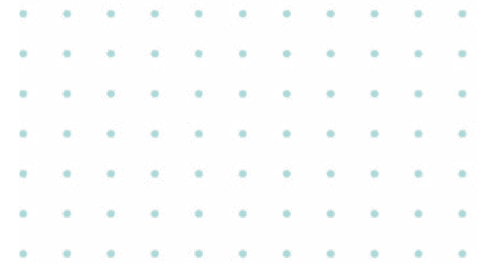
**Note:** Shippers ought to instead expect more frequent DAS / eDAS modifications, such as expanding the list of applicable ZIP codes.

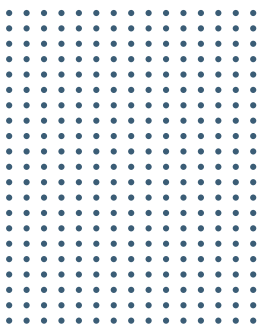
## Keep reading for an in-depth look at the 2025 general rate increases for FedEx and UPS.



# Rate Increases Over Time

Year	UPS Air	UPS Ground	FedEx Air	FedEx Ground
2025	5.9%	5.9%	5.9%	5.9%
2024	5.9%	5.9%	5.9%	5.9%
2023	6.9%	6.9%	6.9%	6.9%
2022	5.9%	5.9%	5.9%	5.9%
2021	4.9%	4.9%	4.9%	4.9%
2020	4.9%	4.9%	4.9%	4.9%
2019	4.9%	4.9%	4.9%	4.9%
2018	4.9%	4.9%	4.9%	4.9%
2017	4.9%	4.9%	3.9%	4.9%
2016	5.2%	4.9%	4.9%	4.9%





## Minimum Charges

Package minimums dictate the price floor that you pay in transportation costs to send packages. That means that your minimum net charge can never be less than this floor, no matter what discounts are applied. These charges are another area where carriers steadily raise the price year over year to increase your cost.

Many shippers don't know how carrier package minimum charges affect their shipping spend. In fact, most shippers don't even know they exist. Carriers use these price floors to negate discounts to protect their margins — more often than shippers realize.

## Ground Residential Minimums

Year	UPS		FedEx	
	Rate	% Increase	Rate	% Increase
2025	\$17.42	6.22%	\$17.27	6.27%
2024	\$16.40	6.84%	\$16.25	6.56%
2023	\$15.35	8.02%	\$15.25	8.07%
2022	\$14.21	7.57%	\$14.16	8.01%
2021	\$13.21	7.14%	\$13.11	7.20%
2020	\$12.33	4.49%	\$12.23	4.97%
2019	\$11.80	5.64%	\$11.65	4.20%
2018	\$11.17	4.20%	\$11.18	4.49%
2017	\$10.72	5.20%	\$10.70	5.00%
2016	\$10.19	4.94%	\$10.19	4.94%

Note: All figures include the carrier's residential surcharge, which apply to all residential packages



# Ground Commercial Minimums

Year	UPS		FedEx	
	Rate	% Increase	Rate	% Increase
2025	\$11.32	5.79%	\$11.32	5.79%
2024	\$10.70	5.94%	\$10.70	5.94%
2023	\$10.10	7.91%	\$10.10	7.91%
2022	\$9.36	6.85%	\$9.36	6.85%
2021	\$8.76	6.44%	\$8.76	6.44%
2020	\$8.23	4.84%	\$8.23	4.84%
2019	\$7.85	3.70%	\$7.85	3.56%
2018	\$7.57	3.41%	\$7.58	4.55%
2017	\$7.32	5.48%	\$7.25	4.47%
2016	\$6.94	4.83%	\$6.94	4.83%



# Key Surcharges

Surcharges, which are not included as part of the general rate increase, typically account for more than a third of the average price of a package, and they have the potential to impact your shipping costs drastically. Carriers often raise surcharges at a higher rate than list rates, so it's important to stay apprised of changes as they happen.

## Additional Handling

An **additional handling surcharge** applies to any package that meets any one of the following criteria:

	FedEx
<b>Dimension</b>	The package's dimensions measure more than 48 inches along its longest side or measure greater than 30 inches along its second-longest side, or if the package's length plus girth exceeds 105 inches.
<b>Weight</b>	<i>U.S. Express and U.S. Ground: Actual weight is greater than 50 lbs. International Express and International Ground: Actual weight is greater than 70 lbs.</i>
<b>Packaging</b>	Any package in non-standard packaging, including any package that is not fully encased in an outer shipping container; is encased in an outer shipping container not made of corrugated fiberboard (cardboard) materials, including but not limited to metal, wood, canvas, leather, hard plastic, soft plastic (e.g., plastic bags), or expanded polystyrene foam (e.g., Styrofoam); is encased in an outer shipping container covered in shrink wrap or stretch wrap; is encased in a soft-sided pack (e.g., courier packs, poly bags, and bubble mailers) that exceeds 18 inches along its longest side or 13 inches along its second-longest side or 5 inches in height; is round or cylindrical, including (without limitation) mailing tubes, cans, buckets, barrels, tires, drums, or pails; is bound with metal, plastic, or cloth banding, or has wheels, casters, handles, or straps (e.g., a bicycle) (including packages where the outer surface area is loosely wrapped, or where the contents protrude outside the surface area); or that could become entangled in or cause damage to other packages or the FedEx sortation system.
	UPS
<b>Dimension</b>	Note: On or after January 27, 2025, the length plus girth definition for Additional Handling Charge (AHC) will be replaced by a cubic volume definition to determine the applicability of AHC. Other factors currently used to determine AHC applicability will remain unchanged.
<b>Weight</b>	With the exception of UPS Ground with Freight Pricing packages, Additional Handling Packages determined by length, width or length plus girth are subject to a minimum billable weight of 40 pounds. Additional Handling determined by weight or packaging/other factors will not be subject to Additional Handling minimum billable weight.



# Additional Handling Rates – UPS

Additional Handling Weight				
Net Rates	2022	2023	2024	2025
<b>Zone 2</b>	\$25.25	\$29.00	\$34.50	<b>\$43.50</b>
<b>Zones 3-4</b>	\$27.50	\$31.50	\$37.50	<b>\$47.50</b>
<b>Zones 5+</b>	\$30.50	\$34.50	\$41.50	<b>\$52.75</b>
% Increase	2022	2023	2024	2025
<b>Zone 2</b>	5.25%	14.9%	19.0%	<b>26.1%</b>
<b>Zones 3-4</b>	7.8%	14.5%	19.0%	<b>26.7%</b>
<b>Zones 5+</b>	13.0%	13.1%	20.3%	<b>27.1%</b>

Additional Handling Dimensions				
Net Rates	2022	2023	2024	2025
<b>Zone 2</b>	\$15.75	\$16.50	\$22.00	<b>\$28.00</b>
<b>Zones 3-4</b>	\$17.50	\$19.00	\$24.50	<b>\$31.00</b>
<b>Zones 5+</b>	\$20.50	\$20.50	\$28.25	<b>\$36.00</b>
% Increase	2022	2023	2024	2025
<b>Zone 2</b>	5.0%	4.8%	33.3%	<b>27.3%</b>
<b>Zones 3-4</b>	9.4%	8.6%	28.9%	<b>26.5%</b>
<b>Zones 5+</b>	13.9%	0.0%	37.8%	<b>27.4%</b>

Additional Handling Packaging				
Net Rates	2022	2023	2024	2025
<b>Zone 2</b>	\$14.00	\$18.50	\$19.50	<b>\$25.00</b>
<b>Zones 3-4</b>	\$16.00	\$20.50	\$23.00	<b>\$29.00</b>
<b>Zones 5+</b>	\$17.50	\$23.50	\$24.50	<b>\$31.00</b>
% Increase	2022	2023	2024	2025
<b>Zone 2</b>	0.0%	32.1%	5.4%	<b>28.2%</b>
<b>Zones 3-4</b>	6.7%	28.1%	12.2%	<b>26.1%</b>
<b>Zones 5+</b>	9.4%	34.3%	4.3%	<b>26.5%</b>

# Additional Handling Rates – FedEx

Additional Handling Weight				
Net Rates	2022	2023	2024	2025
<b>Zone 2</b>	\$25.25	\$29.00	\$34.50	<b>\$43.50</b>
<b>Zones 3-4</b>	\$27.50	\$31.50	\$37.50	<b>\$47.50</b>
<b>Zones 5-6</b>	\$29.50	\$33.50	\$40.00	<b>\$50.50</b>
<b>Zones 7+</b>	\$31.50	\$36.00	\$43.50	<b>\$55.00</b>
% Increase	2022	2023	2024	2025
<b>Zone 2</b>	-1.0%	14.9%	19.0%	<b>26.1%</b>
<b>Zones 3-4</b>	7.8%	14.5%	19.0%	<b>26.7%</b>
<b>Zones 5-6</b>	15.7%	13.6%	19.4%	<b>26.3%</b>
<b>Zones 7+</b>	23.5%	14.3%	20.8%	<b>26.4%</b>

Additional Handling Dimensions				
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<b>Zones 5-6</b>	\$19.50	\$22.50	\$27.00	<b>\$34.00</b>
<b>Zones 7+</b>	\$21.50	\$25.00	\$30.00	<b>\$38.00</b>
% Increase	2022	2023	2024	2025
<b>Zone 2</b>	-1.6%	17.5%	18.9%	<b>27.3%</b>
<b>Zones 3-4</b>	9.4%	17.1%	19.5%	<b>26.5%</b>
<b>Zones 5-6</b>	21.9%	15.4%	20.0%	<b>25.9%</b>
<b>Zones 7+</b>	34.4%	16.3%	20.0%	<b>26.7%</b>

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<b>Zones 5-6</b>	21.4%	17.6%	20.0%	<b>27.1%</b>
<b>Zones 7+</b>	28.6%	16.7%	19.0%	<b>26.0%</b>

# Address Corrections

Address corrections are applied at the carrier’s discretion when the shipper provides an incorrect or incomplete address. FedEx also adds this surcharge when the destination is a P.O. box or has a P.O. box Zip code.

Year	UPS		FedEx	
	Rate	% Increase	Rate	% Increase
2025	\$23.50	6.82%	\$24.00	6.67%
2024	\$21.00	7.69%	\$22.50	7.14%
2023	\$19.50	22.26%	\$21.00	7.69%
2022	\$15.95	2.90%	\$19.50	8.33%
2021	\$15.50	5.89%	\$18.00	5.89%

# Residential Delivery Surcharge

This surcharge is applied to shipments going to homes or private residences, including businesses operated out of homes. This fee can also be added to any shipment where the shipper has designated the delivery address as a residence, regardless if it’s accurate or not.

Year	UPS		FedEx	
	Rate	% Increase	Rate	% Increase
2025	Ground: \$6.10 Air: \$6.55	7.96% 5.65%	Home Delivery: \$5.95	7.21%
			Ground: \$5.95	7.21%
			Express: \$6.55	6.50%
2024	Ground: \$5.55 Air: \$6.20	7.62% 5.98%	Home Delivery: \$5.55	7.77%
			Ground: \$5.55	0.91%
			Express: \$6.15	6.03%
2023	Ground: \$5.25 Air: \$5.85	8.25% 9.34%	Home Delivery: \$5.15	8.42%
			Ground: \$5.50	5.77%
			Express: \$5.80	9.43%
2022	Ground: \$4.85 Air: \$5.35	8.99% 7.00%	Home Delivery: \$4.75	9.20%
			Ground: \$5.20	5.05%
			Express: \$5.30	7.70%
2021	Ground: \$4.45 Air: \$5.00	8.53% 13.60%	Home Delivery: \$4.35	8.75%
			Ground and Express: \$4.95	6.45%

# Delivery Area for Residential & Commercial Shipments

You'll see this surcharge appear on your invoice when packages are shipped to U.S. ZIP codes in non-urban areas.

Year	UPS		FedEx	
	Rate	% Increase	Rate	% Increase
2025	<b>Residential</b> Ground: \$6.15 Air: \$6.15	7.89% 5.13%	<b>Home Delivery</b> \$6.20	11.71%
	<b>Commercial</b> Ground: \$4.20 Air: \$4.20	6.33% 6.33%	<b>Residential</b> Ground: \$6.20 Express: \$6.25	8.77% 5.98%
2024	<b>Residential</b> Ground: \$5.70 Air: \$5.85	7.55% 5.41%	<b>Home Delivery</b> \$5.55	4.72%
	<b>Commercial</b> Ground: \$3.95 Air: \$3.95	6.76% 6.76%	<b>Residential</b> Ground: \$5.70 Express: \$5.85	7.55% 5.41%
2023	<b>Residential</b> Ground: \$5.30 Air: \$5.55	10.42% 6.73%	<b>Home Delivery</b> \$5.30	10.42%
	<b>Commercial</b> Ground: \$3.70 Air: \$3.70	8.82% 4.23%	<b>Residential</b> Ground: \$5.30 Express: \$5.55	10.42% 6.73%
2022	<b>Residential</b> Ground: \$4.80 Air: \$5.20	11.62% 10.64%	<b>Home Delivery</b> \$4.80	11.63%
	<b>Commercial</b> Ground: \$3.40 Air: \$3.55	9.68% 9.23%	<b>Residential</b> Ground: \$4.80 Express: \$5.20	2.13% 10.64%
2021	<b>Residential</b> Ground: \$4.30 Air: \$4.70	7.50% 6.81%	<b>Home Delivery</b> \$4.30	7.50%
	<b>Commercial</b> Ground: \$3.10 Air: \$3.25	5.08% 4.84%	<b>Residential</b> Express: \$4.70	6.82%
			<b>Commercial</b> Ground: \$3.10 Express: \$3.25	5.08% 4.84%

# Extended Delivery Area for Residential & Commercial Shipments

This surcharge is applied to package shipments destined for select U.S. ZIP codes, particularly those in remote areas that are difficult or inconvenient for parcel carriers.

Year	UPS		FedEx	
	Rate	% Increase	Rate	% Increase
2025	<b>Residential</b> Ground: \$8.30 Air: \$8.30	7.79% 7.79%	<b>Residential</b> \$8.30	7.69%
	<b>Commercial</b> Ground: \$5.35 Air: \$5.35	9.18% 9.18%	<b>Commercial</b> \$5.25	7.14%
2024	<b>Residential</b> Ground: \$7.70 Air: \$7.70	7.69% 7.69%	<b>Residential</b> \$7.70	7.69%
	<b>Commercial</b> Ground: \$4.50 Air: \$4.50	8.89% 8.89%	<b>Commercial</b> Ground: \$4.90 Express: \$4.90	8.89% 8.89%
2023	<b>Residential</b> Ground: \$7.15 Air: \$7.15	10% 10%	<b>Residential</b> \$7.15	10%
	<b>Commercial</b> Ground: \$4.50 Air: \$4.50	9.75% 5.88%	<b>Commercial</b> Ground: \$4.50 Express: \$4.50	9.76% 5.88%
2022	<b>Residential</b> \$6.50	10.17%	<b>Residential</b> \$6.50	10.17%
	<b>Commercial</b> Ground: \$4.10 Air: \$4.25	10.81% 10.39%	<b>Commercial</b> Ground: \$4.10 Express: \$4.25	10.81% 10.39%
2021	<b>Residential</b> \$5.90	9.26%	<b>Residential</b> \$5.90	9.26%
	<b>Commercial</b> Ground: \$3.70 Air: \$3.85	7.25% 6.94%	<b>Commercial</b> Ground: \$3.70 Express: \$3.85	7.25% 6.94%

# Large & Oversize Packages

## UPS

Currently, UPS applies a surcharge to packages that exceed 108 inches in length, 150 pounds in weight or are over 165 inches in length and girth combined.

However, effective on or after January 27, 2025, Large Package Surcharge (LPS) rates will be determined using revised calculations based either on length, weight or cubic volume of shipments.

## FedEx

FedEx applies a surcharge to packages that exceed 96 inches in length or 130 inches in length and girth. It's based on the package's actual rounded weight or dimensional weight, whichever is greater.

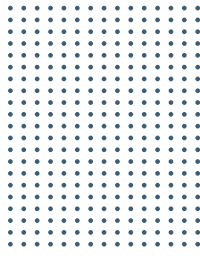
Packages are also subject to a 90-pound minimum billable weight.

Year	UPS		FedEx		
	Rate	% Increase	Rate	% Increase	
2025	<b>Residential</b>		<b>Home Delivery</b>		
	Zone 2: \$240	26.32%	Zone 2: \$240	26.32%	
	Zones 3-4: \$260	26.83%	Zones 3-4: \$260	26.83%	
	Zones 5+: \$297.50	26.60%	Zones 5-6: \$290	26.09%	
	<b>Commercial</b>		Zones 7+: \$305	27.08%	
	Zone 2: \$205	18.13%	<b>Express &amp; Ground</b>		
	Zones 3-4: \$225	28.57%	Zone 2: \$205	28.13%	
	Zones 5+: \$250	26.58%	Zones 3-4: \$225	28.57%	
			Zones 5-6: \$240	26.32%	
			Zones 7+: \$260	26.83%	
	2024	<b>Residential</b>		<b>Home Delivery</b>	
		Zone 2: \$190	18.75%	Zone 2: \$190	18.75%
Zones 3-4: \$205		20.59%	Zones 3-4: \$205	20.59%	
Zones 5+: \$235		20.51%	Zones 5-6: \$230	21.05%	
<b>Commercial</b>			Zones 7+: \$240	20.00%	
Zone 2: \$160		18.52%	<b>Express &amp; Ground</b>		
Zones 3-4: \$175		20.69%	Zone 2: \$160	18.52%	
Zones 5+: \$197.50		19.70%	Zones 3-4: \$175	20.69%	
			Zones 5-6: \$190	18.75%	
			Zones 7+: \$205	20.59%	
2023		<b>Residential</b>		<b>Home Delivery</b>	
		Zone 2: \$160	18.52%	Zone 2: \$160	18.52%
	Zones 3-4: \$170	17.24%	Zones 3-4: \$170	17.24%	
	Zones 5+: \$195	18.18%	Zones 5-6: \$190	18.75%	
	<b>Commercial</b>		Zones 7+: \$200	17.65%	
	Zone 2: \$135	22.73%	<b>Express &amp; Ground</b>		
	Zones 3-4: \$145	20.83%	Zone 2: \$135	22.73%	
	Zones 5+: \$165	17.88%	Zones 3-4: \$145	20.83%	
			Zones 5-6: \$160	18.52%	
			Zones 7+: \$170	17.24%	



# Large & Oversize Packages (Continued)

Year	UPS		FedEx	
	Rate	% Increase	Rate	% Increase
2022	<b>Residential</b>		<b>Home Delivery</b>	
	Zone 2: \$135	3.85%	Zone 2: \$135	3.85%
	Zones 3-4: \$145	11.54%	Zones 3-4: \$145	11.54%
	Zones 5+: \$165	26.92%	Zones 5-6: \$160	23.08%
	<b>Commercial</b>		Zones 7+: \$170	30.77%
	Zone 2: \$110	4.76%	<b>Express &amp; Ground</b>	
Zones 3-4: \$120	14.93%	Zone 2: \$110	4.76%	
Zones 5+: \$140	33.33%	Zones 3-4: \$120	14.29%	
		Zones 5-6: \$135	28.57%	
		Zones 7+: \$145	38.10%	
2021	<b>Residential</b>		<b>Residential</b>	
	\$130.00	8.33%	\$130.00	8.33%
		<b>Commercial</b>		
		\$105.00	5.00%	



# Peak Season

The 2024 peak season period will be longer and more expensive than previous years. Both UPS and FedEx focused their surcharges and increases on three key areas:

- Restructuring of demand surcharges
- Increasing demand surcharges (year-over-year)
- Extending the demand surcharge period

There are two primary drivers for these changes - carrier cost and capacity. Carriers assert that these peak season increases are necessary to cover the increased volume and activity that comes as a result of the holiday shopping season each year. And, as some have indicated when rolling out this year's increases, the calendar happens to make for a compressed holiday season this year, meaning that there will be a massive increase in volume in a shorter-than-usual time period. This puts a strain on the carriers' resources, which need to be able to ramp up (and down again) quickly, and costs them more money.

The below sections detail exactly what the demand surcharges are for each carrier, but some of the key highlights are:

## UPS

- The additional handling fee has increased to \$7.75 per package from last year's peak season fee of \$6.90 per package. But that's only between Sept. 29th and Nov. 23rd. In the real crunch time – Nov. 24th to Dec. 28th, the charge will be a whopping \$9.95 per package.
- Large package or oversize package charges have also increased dramatically for the second year in a row, going from \$74.90 in peak 2023, to \$84.75 or \$99 this year.
- The fee for packages that are over the stated maximums has increased from \$410 last year, to \$445 or \$495 per package this year.

# Peak Season (Continued)

## FedEx

- The “additional handling” charge for U.S. Express Package Services, U.S. Ground Services, and International Ground Service will increase from \$3.45 per package, to \$7.75 to \$10 a package, depending on timing. Last year the increase was to \$6.95 per package.
- The “oversize” charge for the peak season increases from \$73 last year to \$84.50 to \$100 per package this year, depending on timing.

The restructuring and increase of demand surcharges by both UPS and FedEx make it crucial to review shipping strategies and contracts. With higher costs, extended surcharge periods, and more complex eligibility criteria, shippers should:

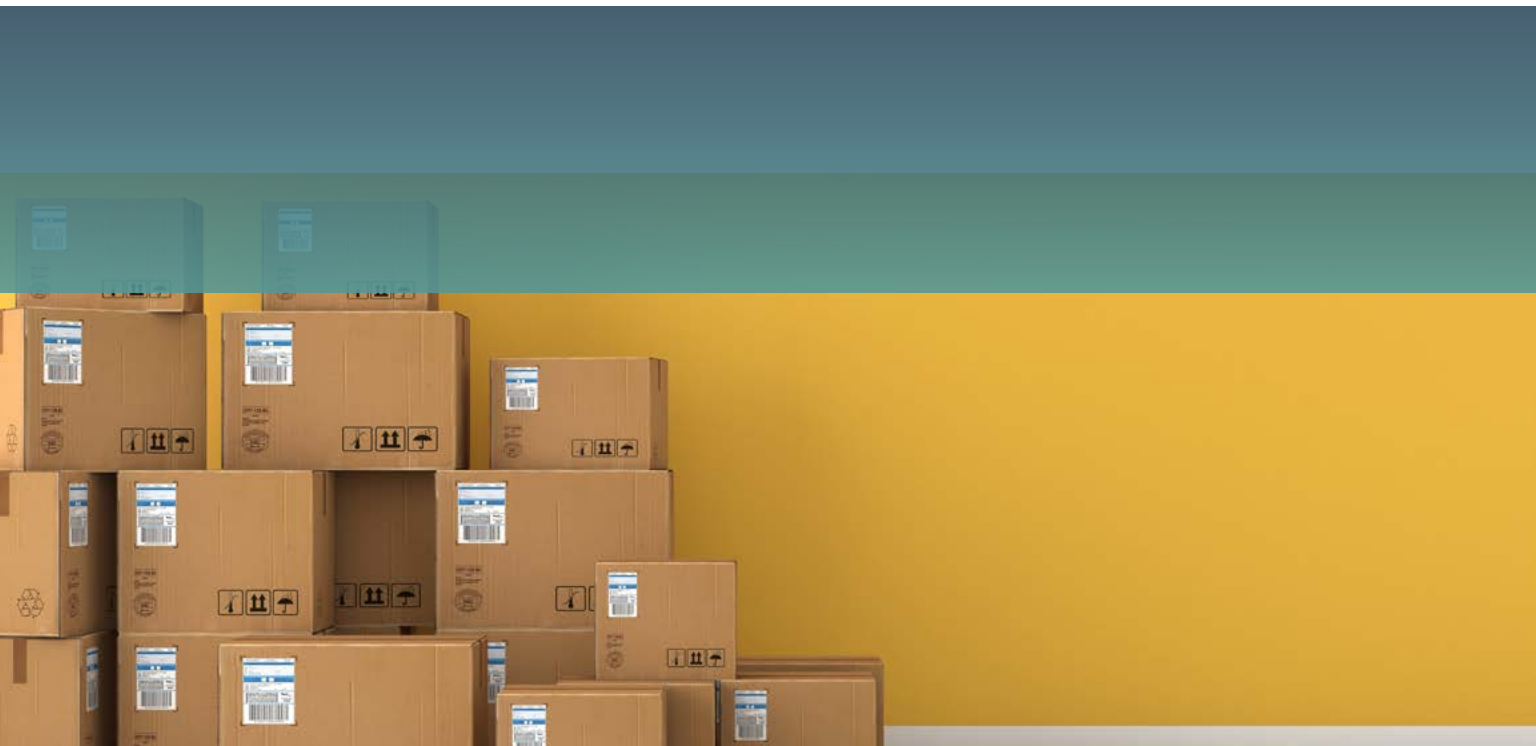
- **Analyze Shipment Volumes:** Understand which weeks are likely to incur the highest surcharges and plan shipments strategically to minimize costs
- **Negotiate with Carriers:** There is always an opportunity to negotiate terms and potentially reduce fees
- **Explore Alternative Carriers:** Consider using alternative shipping options during periods with the highest surcharges to mitigate expenses
- **Adjust Service Levels:** If possible, adjust service levels or consider consolidating shipments to reduce the impact of volume-based surcharges



# UPS Volume Surcharges

These fees apply to qualifying customers who shipped more than 20,000 packages during any week following October 2021. Previously, the threshold was more than 25,000 packages during the same timeframe.

Service	October 27, 2024 - November 23, 2024	November 24, 2024 - December 28, 2024	December 29, 2024 - January 18, 2025
<b>SurePost</b>	\$0.25 per package	\$0.50 per package	\$0.25 per package
<b>Ground Residential</b>	\$0.25 per package	\$0.50 per package	\$0.25 per package
<b>Next Day Air Residential</b>	\$1.00 per package	\$2.00 per package	\$1.00 per package
<b>All other Air Residential</b>	\$1.00 per package	\$2.00 per package	\$1.00 per package



# UPS Demand Surcharges - Additional Handling, Large Packages and Over Maximum

Surcharge	Price	Services	Effective Dates
	\$7.75 per package		September 29, 2024 - November 23, 2024
<b>Additional Handling</b>	\$9.95 per package	All	November 24, 2024 - December 28, 2024
	\$7.75 per package		December 29, 2024 - January 18, 2025
	\$84.75 per package		September 29, 2024 - November 23, 2024
<b>Large Package</b>	\$99.00 per package	All	November 24, 2024 - December 28, 2024
	\$84.75 per package		December 29, 2024 - January 18, 2025
	\$445.00 per package		September 29, 2024 - November 23, 2024
<b>Over Maximum Limits</b>	\$495.00 per package	All	November 24, 2024 - December 28, 2024
	\$445.00 per package		December 29, 2024 - January 18, 2025

# UPS Volume Surcharges

These fees apply to qualifying customers who shipped more than 20,000 packages during any week following October 2023.

Effective Dates: October 27, 2024 - January 18, 2025						
Service	>105% – 125% of Baseline Volume	>125% – 150% of Baseline Volume	>150% – 200% of Baseline Volume	>200% – 300% of Baseline Volume	>300% – 400% of Baseline Volume	>400% of Baseline Volume
<b>SurePost</b>	\$1.50 per package	\$2.05 per package	\$2.35 per package	\$2.85 per package	\$4.90 per package	\$7.05 per package
<b>Ground Residential</b>	\$1.50 per package	\$2.05 per package	\$2.35 per package	\$2.85 per package	\$4.90 per package	\$7.05 per package
<b>Next Day Air Residential</b>	\$2.65 per package	\$3.20 per package	\$3.50 per package	\$4.00 per package	\$6.05 per package	\$8.25 per package
<b>All other Air Residential</b>	\$2.65 per package	\$3.20 per package	\$3.50 per package	\$4.00 per package	\$6.05 per package	\$8.25 per package



# FedEx Demand Surcharges

Surcharge	Price	Services	Effective Dates
<b>Demand - Additional Handling Surcharge</b>	\$7.75 Per Package	U.S. Package Services, FedEx International Ground Shipments	Sept. 30 - Nov. 24, 2024
	\$10.00 Per Package		Nov. 25 - Dec. 29, 2024
	\$7.75 Per Package		Dec. 30, 2024 - Jan. 19, 2025
<b>Demand - Oversize Charge</b>	\$84.50 Per Package	U.S. Package Services, FedEx International Ground Shipments	Sept. 30 - Nov. 24, 2024
	\$100.00 Per Package		Nov. 25 - Dec. 29, 2024
	\$84.50 Per Package		Dec. 30, 2024 - Jan. 19, 2025
<b>Demand - Ground Unauthorized Package Charge</b>	\$450.00 Per Package	FedEx Ground, FedEx Home Delivery, and FedEx International Ground Shipments	Oct 2, 2023 – Jan 14, 2024
			Sept. 30 - Nov. 24, 2024
			Nov. 25 - Dec. 29, 2024
			Dec. 30, 2024 - Jan. 19, 2025

## FedEx Demand Surcharges (Continued)

Surcharge	Price	Services	Effective Dates
<b>Demand Surcharge</b>	\$1.00 Per Package	FedEx First Overnight, FedEx Priority Overnight, FedEx Standard Overnight,	Oct. 28 - Nov. 24, 2024
	\$2.00 Per Package	FedEx 2Day A.M., FedEx 2Day, FedEx Express Saver	Nov. 25 - Dec. 29, 2024
	\$1.00 Per Package	(excluding FedEx One Rate packages)	Dec. 30, 2024 - Jan. 19, 2025
	\$0.30 Per Package	FedEx Ground residential shipments and FedEx Home Delivery residential shipments	Oct. 28 - Nov. 24, 2024
	\$0.55 Per Package		Nov. 25 - Dec. 29, 2024
	\$0.30 Per Package		Dec. 30, 2024 - Jan. 19, 2025
	\$1.90 Per Package	FedEx Ground Economy Package Services	Oct. 28 - Nov. 24, 2024
	\$3.15 Per Package		Nov. 25 - Dec. 29, 2024
	\$1.90 Per Package		Dec. 30, 2024 - Jan. 19, 2025

# FedEx Demand Volume Surcharges

These fees apply to qualifying customers who shipped more than 20,000 packages during a calculation week (October 7, 2024 – December 29, 2024).

Effective Dates: October 7, 2024 – January 19, 2025						
Service	>105% – 125% Increase	>125% – 150% Increase	>150% – 200% Increase	>200% – 300% Increase	>300% – 400% Increase	>400% Increase
FedEx Ground, FedEx Home Delivery services	\$1.45 per package	\$2.10 per package	\$2.40 per package	\$2.95 per package	\$5.00 per package	\$7.10 per package
FedEx First Overnight, FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day A.M., FedEx 2Day, FedEx Express Saver (excluding FedEx One Rate packages)	\$2.60 per package	\$3.25 per package	\$3.55 per package	\$4.10 per package	\$6.15 per package	\$8.25 per package

# Fuel Surcharges

Both FedEx and UPS implemented significant new fuel surcharges this past year. These changes directly affect parcel shipping costs, and are updated several times during the calendar year, so they are important to pay attention to.

As the base rates for fuel surcharges climb, the effectiveness of previously negotiated discounts diminishes. For example, a 25% discount secured at the start of 2024 may now only provide a 15% effective benefit. This trend is particularly striking given that fuel costs in the market have been decreasing, suggesting a disconnect between surcharge increases and actual fuel prices.

To effectively navigate these changes, shippers must stay vigilant and proactive in managing their shipping costs and contracts.

## FedEx Fuel Surcharges

The fuel surcharge percentage FedEx charges for Express services and the charge per pound for U.S. Domestic Express freight services are based on the weekly published U.S. Gulf Coast spot price for a gallon of kerosene-type jet fuel. The fuel surcharge percentage for Ground services is based on the national U.S. on-highway average price for a gallon of diesel fuel, while the percentage for Freight services is based on the national U.S. on-highway average price for a gallon of diesel fuel. These are adjusted weekly by FedEx, based on costs. The easiest way to remain up-to-date on the current fuel surcharges is to monitor FedEx' fuel [website](#).

## UPS Fuel Surcharges

UPS Ground Domestic fuel surcharges are based on the national U.S. average on-highway diesel fuel price, while Domestic Air fuel surcharges are based on the national average U.S. Gulf Coast jet fuel price. These are also adjusted weekly, and updates can be reviewed at UPS' fuel surcharge [website](#).



# Even Smaller Increases Have An Oversized Impact

These annual increases and rate changes will impact your business - and countering them requires immediate action. Luckily, there's something you can do about it.

Use Reveel's Shipping Intelligence Platform to:

- Understand what the true financial impact of these increases are
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- Audit your invoices to recoup any and all refunds
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