pitney bowes

Shipping

2023 Guide to Office Shipping

January 2023

Shipping remains a big cost item for many organizations.

Although shipping a few items may seem simple, the process gets more complicated as volume increases. From address correction fees and DIM weight rating to delivery area and fuel surcharges, shipping packages can be confusing, costly and time-consuming.

We want to help you navigate through the complexities. That's why we created this Guide to Office Shipping. Inside, you'll find detailed explanations of the most common and often unexpected shipping costs organizations encounter. We also compiled a glossary of common shipping terms for easy reference. Ultimately, this guide is designed to help clarify the shipping process, so you have more time to focus on the things that matter most.

A trusted leader in business shipping for over 35 years, Pitney Bowes helps companies of all sizes process millions of parcels with speed and reliability. We help customers optimize their shipping operations, delivering reliable solutions that can make your business run more productively and profitably. As the inventors of the first commercially available postage meter, we have 90 plus years of experience delivering innovations that help clients achieve success.

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General shipping rate increases

Shipping costs have risen steadily over the past decade and 2022 was no exception. Rates continue to rise in 2023 with FedEx 6.9% increase effective January 3, 2023, USPS 5.9% increase effective January 22, 2023 and UPS 6.9% effective December 27, 2022.

Despite these rate increases, carrier profit margins in the US have stagnated or declined in recent years. The industry faces intense competitive pressure. And the eCommerce boom has increased shipping volume dramatically. To keep up, carriers needed to invest billions of dollars in new infrastructure to handle the volume. New revenues, through fees and surcharges, are often the only way to make up some of these costs.

This guide shows you when and where to expect shipping rate increases, so you can plan accordingly.

2023 rate increases

	2023 annual increase
UPS®	+6.9% Effective December 27, 2022
FedEx®	+6.9% Effective January 3, 2023
USPS®	+5.9% Effective January 22, 2023

Source: reuters.com/article/us-usa-ecommerce-freeshipping-idUSKBN1432ZL

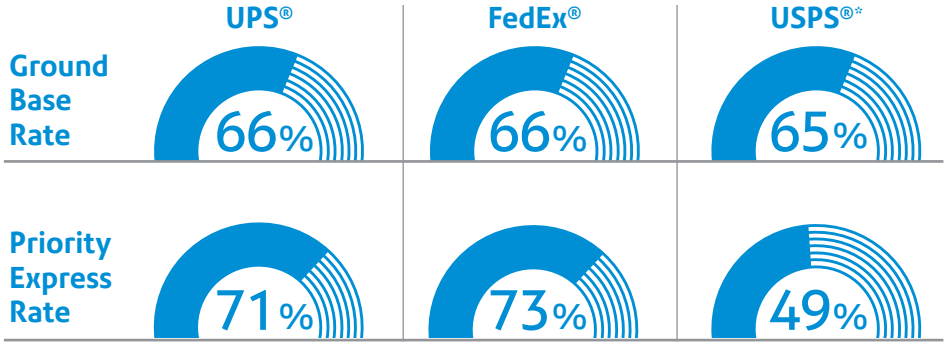
Additional shipping fee increases

As rates are increasing, accessorial fees and other surcharges are also being applied more regularly, pushing costs even higher.

Although baseline shipping rate increases can be a headache, the real challenge for growing organizations is making sense of **accessorial fees and surcharges**. Carriers aren't always transparent about what these charges are and how they apply. And carrier invoices display these fees in different places, so it's easy to miss them. What's more, fees can be added to each package you ship, so your total shipping costs can rise unexpectedly.

Did you know?
Domestic shipping rates and surcharges have increased more than 50% over the last decade.

Base rates increase from 2013-2023. 2lb package going zone 2.



Source: Historical & Current USPS, UPS, and FedEx Rate Analysis

* Zones 1-4 up to 5 Lbs. USPS is the most competitive light weight carrier in Zones 1-4.

In the next few pages, we explain the most common accessorial fees and surcharges, describing what they are and how they work.

Most of these costs are beyond your control, but there are opportunities to minimize expense if you know which carriers charge which fees. Throughout this guide, we highlight simple tips and strategies you can use to help offset some of the costs.

Let's get started.

Address correction fee

Imagine you prepare a package, create a label and then send it off for two-day delivery. You precisely calculate the cost and know exactly how to account for it. Suddenly, though, a few days later you're hit with an inexplicable charge. What's going on? Well, if your destination address doesn't match the corresponding address in a carrier's system, they will correct it and charge you a hefty address correction fee.

Shipping tip:
Manual shipment processing leaves room for human error. Take advantage of office shipping technology to verify addresses and avoid fees. Whether you are a small office, a large enterprise, or somewhere in between, there are solutions available to fit your organization's needs.

Click for more shipping tips

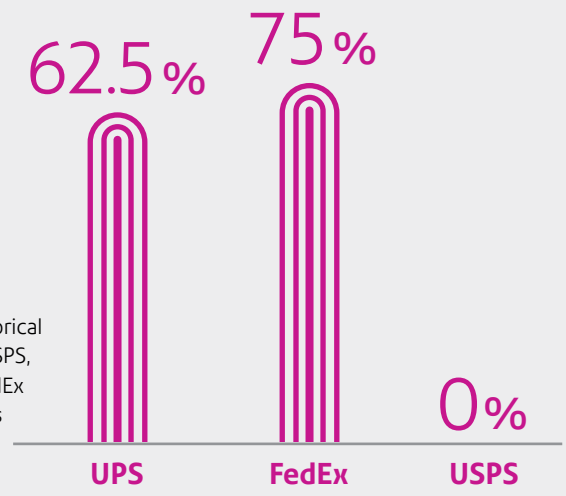
An incomplete or incorrect address can mean anything from an invalid house number to a missing ZIP Code™. Sometimes carriers will assess a fee if you misprint even one number. So, it pays to be precise.

UPS 2023 rate and surcharges effective December 27, 2022.
FedEx 2023 rate and surcharges effective January 3, 2023.
USPS 2023 rate and surcharges effective January 22, 2023.

2023 Address Correction fees
Ground with freight pricing

	2023 Fees
UPS® Fee per package for Address Correction.	$19.50
FedEx® Fee per package for Address Correction.	$21.00
USPS® No address correction fees are administered.	$0

Groud shipment correction fees increase, 2013-2023



Source: Historical & Current USPS, UPS, and FedEx Rate Analysis

Ground residential delivery surcharge (RDS)

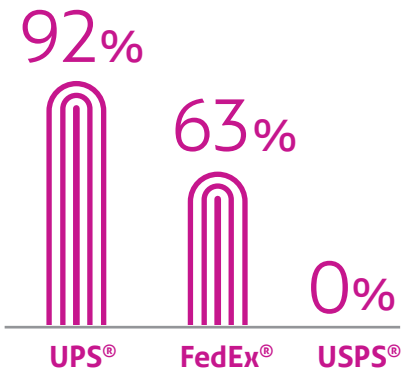
Another unexpected cost is the residential delivery surcharge. As the name implies, this surcharge applies to packages shipped to a home or private residence. Unfortunately, what counts as a "private residence" isn't always straightforward. For example, imagine you ship a package to another business, but that business is operated out of a private residence. In such cases, you'll likely incur a residential delivery surcharge.

Sometimes it can get even more confusing because different carriers can designate the same property in different ways. One carrier might designate a given delivery address as a residence while another designates it as a business. Be sure to check in advance if you're not sure. There are solutions available that easily identify whether a property is designated as residential or commercial.

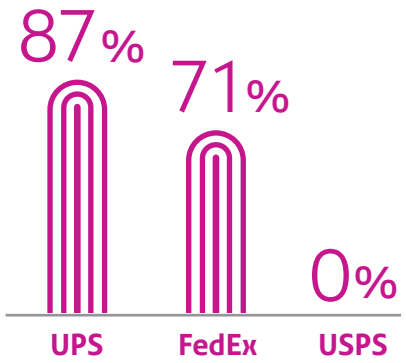
Note that although you can negotiate these surcharges, small discounts will not often alleviate the dramatic costs associated with the residential delivery surcharge. Like most charges, it's important to be aware that the residential delivery surcharge is assessed to each package you ship.

Source: Historical & Current USPS, UPS, and FedEx Rate Analysis

Delivery area surcharge 10-year increase, 2013-2023



Residential delivery surcharge 10-year increase, 2013-2023



Shipping tip:
Consider the option of USPS Priority Mail®, which offers one low transportation rate without additional residential delivery surcharges.

Click for more shipping tips

Delivery area surcharges (DAS)

Like the residential delivery surcharge, additional fees apply based on the intended delivery area of a package. Please note: This surcharge does not replace, but is in addition to the residential delivery surcharge, as well as any address correction fees you may incur.

A delivery area surcharge is added to packages delivered to:

- residential rural area
- residential super rural area
- commercial rural area
- commercial super rural area

In some instances, the fees can be compounded if your package destination is considered "very rural." In such cases, carriers may apply a delivery area surcharge extended, or DAS-E. This fee pertains to destinations which are an "extended distance" from a UPS® or FedEx® hub. As before, this surcharge does not replace, but compounds other surcharges that may be assessed.

Notice that, depending on the destination, a single package could potentially incur three separate surcharges. For example, recall the first scenario: You think you're shipping to a business, but it turns out to be a residence. So, you're hit with the residential delivery surcharge. Then, imagine if the property happened to be in an area designated as "rural." In addition to the residential delivery surcharge, you could also incur a delivery area surcharge as well as delivery area surcharge extended. It's easy to see how quickly these fees can pile up.

There are over 25,700 Domestic DAS and DAS-E ZIP Codes affected by these surcharges, more than half of all ZIP Codes in the United States. There are higher operating costs associated with providing service to less populated or inaccessible areas, so carriers feel compelled to assess these surcharges. Importantly, DAS and DAS-E fees are annually assessed to more accurately reflect the cost of providing service to these areas.

25,700+ ZIP Codes™ in the US are subject to annual delivery area surcharges.

UPS is adding over a 170 zip codes to DAS Extended in 2023.

Did you know?

Delivery surcharges vary by carrier, so be certain to comparison shop before making your final carrier selection. Remember to diversify carriers to discover savings opportunities.

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2023 Ground delivery surcharges by national carriers

	UPS®	FedEx®	USPS®
Residential delivery surcharge	$5.25	$5.50	$0
Delivery area surcharge residential	$5.30	$5.30	$0
Delivery area surcharge extended residential	$7.15	$7.15	$0

UPS 2023 rate and surcharges effective December 27, 2022.
FedEx 2023 rate and surcharges effective January 3, 2023.
USPS 2023 rate and surcharges effective January 22, 2023.

Fuel surcharges

Fuel surcharges are designed to help carriers offset sudden fuel price increases. Most major carriers now impose fuel surcharges on top of the basic shipping rate. In general, these charges are unavoidable, subject to change without notice and can significantly impact your total shipping costs.

Shippers recently experienced significant changes in the way fuel surcharges are assessed, leading to higher costs overall. In April 2018, UPS split the fuel surcharges for Domestic Air and International Air Export. Previously, export used to have the same fuel surcharge as domestic air. This shift means export fuel surcharges have become significantly higher. It can equate up to an extra one to two percent on the cost of your export shipment.

in 2019, UPS added fuel surcharges to the following: Additional Handling, Over Maximum Limits, Signature and Adult Signature Required. Effective January 20, 2020, FedEx accessed fuel surcharges on: Express shipments, Additional Handling, Non-stackable items and Signature Options. FedEx Ground® added surcharges for Additional Handling and Signature Options.

Bottom line, shippers will experience greater fluctuation in fuel costs for international packages when shipping with UPS. Given changing dynamics in general fuel prices, assume that fuel surcharges are here to stay.

Shipping tip:
Don't forget to consider the United States Postal Service. USPS® package services is the exception to the rule, as the USPS does not pass on fuel surcharge fees for any of their services.

Click for more shipping tips

Did you know?
FedEx® and UPS® now index fuel surcharges to weekly fluctuations in diesel and jet fuel prices, rather than monthly adjustments.

Dimensional (DIM) weight rating

Historically, shipping costs were calculated according to the gross weight of a package. The eCommerce boom, however, prompted most national carriers to reconsider this approach. Lighter weight, lower density packages are comparatively less profitable for carriers because they take up so much space relative to the price charged per package (based on weight alone). Looking for ways to adjust this model, carriers started using dimensional (DIM) weight rates. DIM weight rates allow carriers to establish a minimum charge for the **cubic space** a package occupies.

DIM weight is calculated by multiplying the length by width by height of each package (in inches) divided by carrier factor for shipments. Sometimes, a customized dimensional weight factor can be negotiated (in which case that factor is used). Please note: Carrier factors may vary for domestic and international shipments.

$$\text{Dimensional weight} = \frac{L \times W \times H}{\text{carrier factor}}$$

L = Length in inches
W = Width in inches
H = Height in inches

Below are the 2023 domestic and international DIM weight carrier factors. Carrier rates are subject to change and typically are re-evaluated by carriers annually.

Both FedEx and UPS DIM charges apply to all zones.

2023 dimensional (DIM) weight factor by national carriers

Carrier	Domestic DIM factor	International DIM factor
USPS®	**Divisor of 166** Applies to all zones (June 2019) **No DIM under one cubic foot**	**Divisor of 166 for all International shipments**
FedEx®	**Divisor of 139**	**Divisor of 139 for International and Puerto Rico shipments**
UPS®	**Divisor of 139**	**Divisor of 139 for all US Export and Import shipments**

Did you know?
Generally, carriers will charge based upon whichever weight is greater DIM or actual weight.

Dimensional (DIM) weight rating

So, what do 2023 carrier factors look like in practice? Below are the DIM weights you would encounter across national carriers for a package with these assumptions:

Sample DIM weights by carrier in 2023

Gross weight: 2 pounds
Length: 10" Width: 10" Height: 10"

Carrier	Weight calculation
USPS®	$\frac{10 \times 10 \times 10}{\text{carrier factor: } 166}$ = **2 Lbs.***
FedEx®	$\frac{10 \times 10 \times 10}{\text{carrier factor: } 139}$ = **7.19 Lbs.**** **(Rated at 8 Lbs.)**
UPS®	$\frac{10 \times 10 \times 10}{\text{carrier factor: } 139}$ = **7.19 Lbs.**** **(Rated at 7 Lbs.)**

*USPS® does not apply DIM to shipments under one cubic foot.

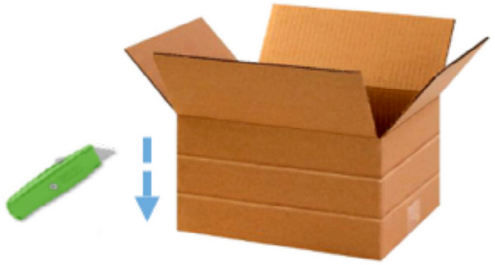
**FedEx® rounds up to 8 Lbs., UPS® rounds to the nearest pound.

FedEx and UPS DIM remain unchanged, while USPS is 166.

Shipping tip:
There are ways to reduce the DIM weighting and keep shipping costs down. First, it pays to use the smallest packaging possible. Second, unnecessary fillers should be avoided.

Click for more shipping tips

Multi-depth shipping boxes are designed to be cut to size for your needs. Unnecessary fillers such as foam peanuts or sealed airbags can increase costs. Not only do such materials cost money on their own, but they require larger boxes when smaller boxes may suffice.



For shipping supplies visit Pitneybowes.us/shop

Sample carrier invoice

The fees and surcharges outlined in this guide can quickly add up and many times you may not be aware they are even hitting your account. They are often buried pages into your monthly invoice and frequently go unnoticed. Below is an example of how these fees and surcharges may appear on your monthly statement.

Delivery Service Invoice

Invoice date	January 2, 2023
Invoice number	00048736262
Shipper number	2929383
Page 19 of 55	

In this example, these fees and surcharges are buried on page 19 of 55

Service	Weight	Zone	ZIP Code	Charge
Ground Residential	2 Lb.	2	98765	$10.90
Residential Delivery Surcharge				$5.25
Delivery Area Surcharge				$5.30
DIM 10 x 10 x 10 Box				$12.76
Ground Fuel Surcharge				$1.15
Address Correction Fee				$19.50
Total Cost				**$43.96**

Learn more about the dimensional (DIM) rating on pages 9 and 10 >

Service	Weight	Zone	ZIP Code	Charge
Ground Residential	4 Lb.	2	45630	$11.67
DIM 10 x 14 x 14 Box				$13.51
Residential Delivery Surcharge				$5.25
Ground Fuel Surcharge				$1.15
Address Correction Fee				$19.50
Total Cost				**$39.41**

DIM is greater than the base rate (Ground Residential) and is reflected in the total cost.

Learn more about the residential delivery surcharge (RDS) on page 7 >

Service	Weight	Zone	ZIP Code	Charge
Ground Residential	3 Lb.	2	56743	$11.34
Delivery Area Surcharge				$5.25
Ground Fuel Surcharge				$1.15
Address Correction Fee				$19.50
Total Cost				**$37.24**

Learn more about the delivery area surcharges (DAS) on page 8 >

Learn more about address correction fees on page 6 >

Sample carrier invoice reflects list rates.

2023 carrier accessorial fees

Comparison shopping is always a smart idea. Multi-carrier shipping software allows you to view all carrier rates, including your own negotiated rates, through one platform, providing the tools to make better-informed carrier choices.

Recap of 2023 carrier accessorial fees

	UPS®	FedEx®	USPS®
Residential delivery surcharge	$5.25	$5.50	$0
DAS Ground residential	$5.30	$5.30	$0
DAS Ground extended residential	$7.15	$7.15	$0
Ground fuel surcharge	?	?	?
Address delivery correction fees	$19.50	$21.00	$0
Dimensional rating	139	139	166 over a cubic foot
Package tracking detail	yes	yes	yes
Weight by ounce up to 16 oz.	no	no	yes

UPS 2023 rate and surcharges effective December 27, 2022.
FedEx 2023 rate and surcharges effective January 3, 2023.
USPS 2023 rate and surcharges effective January 22, 2023.

January 2023 USPS shipping changes: Priority Mail®

2023 brings a variety of rate changes for the USPS. In the following chart, we show you can save an average of 20.1% with commercial based pricing vs. retail. In this section, we'll continue outlining USPS rate changes and savings between retail, commercial, and special Pitney Bowes pricing.

Print the **IMpb shipping label** rather than a Meter Tape to automatically save with **Commercial Base Pricing**.

Priority Mail product	2022 retail	Jan 2023 retail	Jan 2023 commercial	Commercial savings
Flat rate envelopes	$9.00	$9.65	$8.05	**$1.60**
Legal flat rate envelope	$10.20	$9.95	$8.35	**$1.60**
Small flat rate box	$10.40	$10.20	$8.55	**$2.35**
Medium flat rate boxes	$17.05	$17.10	$14.75	**$2.85**
APO/FPO/DPO lage flat rate box	$20.95	$21.20	$18.35	**$2.30**
1lb Zone 1	$9.00	$9.35	$7.64	**$1.71**
1lb Zone 2	$9.00	$9.55	$7.78	**$1.77**
2lb Zone 2	$9.55	$10.05	$8.31	**$1.74**
5lb Zone 4	$13.45	$14.05	$10.27	**$3.78**

Shipping tip:
USPS® does not add any surcharges for fuel, residential delivery, or regular Saturday delivery.

2023* Priority Mail commercial base pricing (CBP) vs. retail

Weight not over (lbs)	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9
1	18%	19%	19%	19%	20%	18%	20%	20%	16%
2	16%	17%	20%	24%	25%	16%	23%	23%	18%
3	19%	20%	22%	26%	29%	16%	18%	18%	17%
4	23%	23%	25%	26%	24%	17%	19%	15%	14%
5	27%	27%	29%	27%	19%	19%	18%	15%	14%
6	28%	28%	28%	27%	20%	21%	16%	14%	12%
7	28%	29%	26%	28%	22%	20%	19%	17%	12%
8	27%	28%	25%	25%	20%	19%	21%	19%	12%
9	25%	25%	23%	22%	21%	21%	22%	20%	12%
10	27%	27%	23%	24%	21%	22%	23%	22%	12%

	21%+ Savings
	17% to 21% Savings
	12% to 17% Savings

*as of 1/22/2023

Priority Mail cubic pricing

There are another set of special discounted rates offered through the Pitney Bowes + USPS Connect™ eCommerce (CeC) program. These rates are lower than commercial rates and are still considered to be priority mail services, but the rates are up to 89% less than retail rates.

Benefits of Priority Mail Cubic Pricing through Pitney Bowes

- Inexpensive way to send small packages that weigh up to 20 lbs.
- Save up to 89% using Pitney Bowes shipping solutions versus retails rates.
- Fast priority mail delivery time frames (1 to 3 days)
- Includes $100 USPS® insurance.

Shipping tip:
Get Priority Mail Cubic Pricing automatically with Pitney Bowes shipping solutions PitneyShip® and PitneyShip® Pro.

Get the best prices on Priority Mail with Pitney Bowes

Ex. Priority Mail, 7lb package going to Zone 5

$19.55
Retail

$15.34
Commercial

$4.21 Savings

$9.59
Pitney Bowes Rate

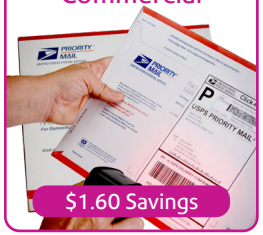
$9.96 Savings

Another savings example

Priority Mail Flat Rate Envelope

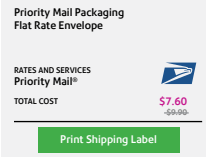
$9.65
Retail

$8.05
Commercial



$1.60 Savings

$7.96
Pitney Bowes Rate

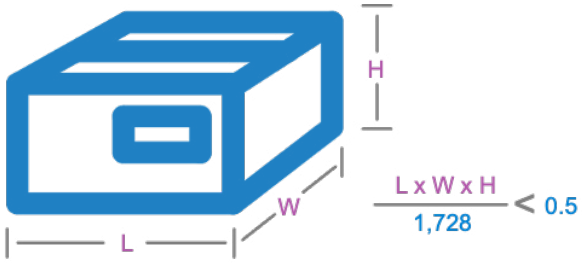


$1.69 Savings

Priority Mail cubic pricing as of Jan 22, 2023

Priority Mail commercial cubic rates

Cubic feet range up to:	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9
0.10	$7.79	$7.91	$8.12	$8.37	$8.70	$9.54	$10.07	$10.85	$20.42
0.20	$8.23	$8.31	$8.45	$8.74	$9.39	$11.29	$11.97	$13.17	$27.59
0.30	$8.42	$8.58	$8.86	$9.25	$10.23	$13.74	$15.48	$18.45	$37.43
0.40	$8.55	$8.76	$8.16	$9.83	$12.38	$16.41	$19.31	$22.48	$46.99
0.50	$8.74	$8.95	$9.30	$10.27	$13.89	$18.32	$22.97	$26.76	$56.29



Package is 12" x 8" x 3.5"
Exact cubic volume = 0.194
Cubic tier = 0.20
Up to 20 lbs
Zone 4
Cost = $8.74

January 2023 shipping change: Priority Mail Express®

Priority Mail Express is another USPS service that provides next-day or 2-day delivery service, including Sundays and holidays, with a money-back guarantee. It includes the same Priority Mail benefits and can save you an average of 12% with Commercial Based Pricing vs. Retail.

PME produuct	Current 2022 retail	Jan 2023 retail	Jan 2023 commercial	Commercial savings
Flat rate envelopes	$28.75	$28.75	$24.90	**$3.85**
Legal flat rate envelope	$10.20	$28.95	$25.15	**$3.80**
Padded flat rate envelope	$10.40	$29.45	$25.35	**$4.10**
0.5lb Zone 1	$17.05	$28.75	$24.90	**$3.85**
1lb Zone 1	$20.95	$29.20	$25.25	**$3.95**
0.5lb Zone 4	$9.00	$35.80	$27.35	**$3.85**
1lb Zone 4	$9.75	$45.10	$31.25	**$4.55**
1lb Zone 6	$9.55	$45.90	$32.80	**$5.35**
5lb Zone 3	$13.45	$41.65	$35.85	**$5.80**

Did you know?
The USPS is the only overnight carrier that delivers packages to P.O. Boxes.

2023* Priority Mail Express CBP vs. retail

Weight not over (lbs)	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9
0.5	13%	14%	12%	12%	14%	14%	14%	13%	13%
1	14%	14%	13%	13%	15%	15%	15%	14%	14%
2	14%	14%	13%	13%	16%	16%	15%	14%	14%
3	14%	14%	13%	13%	16%	16%	16%	15%	15%
4	14%	14%	14%	13%	16%	17%	16%	15%	15%
5	14%	14%	14%	14%	17%	17%	17%	15%	15%
6	14%	14%	14%	14%	17%	17%	16%	15%	15%
7	15%	15%	14%	13%	17%	17%	16%	15%	15%
8	15%	15%	14%	13%	17%	17%	16%	15%	15%
9	15%	15%	14%	13%	16%	17%	16%	15%	15%

Print the **IMpb shipping label** rather than a Meter Tape to automatically save with **Commercial Base Pricing**.

	15%+ Savings
	14% to 15% Savings
	12% to 13% Savings

*as of 1/22/2023

New USPS® pricing for parcels for 2023

USPS First-Class parcels is an affordable method to send envelopes and light packages weighing less than 1 lb. Previous to 2019, USPS First Class Parcels were rated based on weight only. In 2019 both weight and zone determine the rate, this will continue to be the case in 2023.

USPS shipping rates remain some of the most cost-effective methods available to get packages from point A to point B.

In fact, shippers can qualify for lower rates known as Commercial Base Pricing by using IMpb-compliant labels. IMpb® labels are also trackable from the moment you ship up to and including delivery, making this the better option for price-conscious shippers.

First-Class™ 2023 commercial parcel and retail parcel rates

Zones 1			
Weight not over (Oz.)	Commercial rate (CR)*	Retail rate**	Savings with CR
1	$3.59	$4.75	**32%**
2	$3.59	$4.75	**32%**
3	$3.59	$4.75	**32%**
4	$3.59	$4.75	**32%**
5	$3.99	$5.40	**35%**
6	$3.99	$5.40	**35%**
7	$3.99	$5.40	**35%**
8	$3.99	$5.40	**35%**
9	$4.62	$6.15	**33%**
10	$4.62	$6.15	**33%**
11	$4.62	$6.15	**33%**
12	$4.62	$6.15	**33%**
13 – 15.999	$5.85	$7.50	**28%**

Zones 9			
Weight not over (Oz.)	Commercial rate (CR)*	Retail rate**	Savings with CR
1	$4.13	$5.25	**27%**
2	$4.13	$5.25	**27%**
3	$4.13	$5.25	**27%**
4	$4.13	$5.25	**27%**
5	$4.44	$5.85	**31%**
6	$4.44	$5.85	**31%**
7	$4.44	$5.85	**31%**
8	$4.44	$5.85	**31%**
9	$5.33	$6.65	**24%**
10	$5.33	$6.65	**24%**
11	$5.33	$6.65	**24%**
12	$5.33	$6.65	**24%**
13 – 15.999	$6.78	$8.25	**21%**

*An IMpb solution is required to qualify for Commercial Rates; up to 16 oz.
**Retail rates require Label 400; maximum weight 13 oz.

The Commercial rate is

29% less

than the Retail rate

(on average)

PitneyShip UPS Account

Pitney Bowes clients can access another set of pre-negotiated carrier rates, but these discounts are through UPS. With PitneyShip software by Pitney Bowes, you can access rates of up to 88% off* when creating a free UPS account. Additionally, there are no monthly volume minimums and added benefits include:

- **Eliminated Peak and Fuel surcharges**
- Reduced daily pick up and one-time pick-up fees
- Schedule pickups from your home or office or drop off packages at over 85,000 locations
- Compare shipping rates online and print your own discounted UPS shipping labels
- Track UPS package deliveries in real-time
- No hidden fees – the price you see is the price you get

The PitneyShip UPS account simplifies your shipping process and saves you money.

*Discounts off UPS daily rates. Rates are limited to shipping from the U.S. only. Rates and any applicable discounts are subject to change at any time without notice.

Summary

pitney bowes

Shipping is complex. PitneyShip® will simplify your shipping operation and bring it to the next level.

Cost control is fundamental to the success of your business. We know it can be stressful to watch shipping rates and additional charges rise every year. We want to alleviate some of that stress and are committed to being your go-to shipping partner. And with PitneyShip, we will help you achieve that. PitneyShip allows you to rate shop and print discounted shipping labels across carriers, all while simplifying your shipping operation and empowering your organization. If you want to learn more about PitneyShip and the rate saving opportunities outlined in this guide, visit: pitneybowes.com/us

And if you need additional help navigating the complex world of shipping or want to find out more about how Pitney Bowes can help you manage shipping cost, give us a shout and a representative will be in touch right away.

Source: 2018 Pitney Bowes Parcel Index

Shipping tip:
Don't limit your options. Although you may have negotiated rates with one carrier, there's no guarantee that you've got the lowest price for your shipment.

Click for more shipping tips

We're here to help you #ShipSmarter.

Call 1 800 672 6937
or visit us online
pitneybowes.com/us/shipping

Glossary of shipping terms

Accessorial fee
Air bill
Acknowledgment of Delivery (AOD)
AQ rate
Barcode/barcode symbol
Barcode label
Barcode reader
Call tag
Carrier
Charge terms
Claim
Collect on delivery (COD)
Commodity code
Common carrier
Consignee
Consignee billing
Contract carrier
Contract rate
Courier service
CWT rates
Declared value
Dimensional rating
Discount
Drop ship
Electronic Data Interchange (EDI)
Electronic mailbox
Exempt carrier
Fixed beam scanner
For-hire carrier
Freight bill
Freight class
Freight rate
Gross weight
Hand held reader/scanner
Hazardous materials
Human readable
Identification code
Invoice
Logistics
Machine readable
Manifest
Minimum rate
Mode
Multi-carrier shipping software
National carrier
Non-contact reader/scanner
Oversize
Packing list
Proof of Delivery (POD)
Postnet code
Private carrier
Protocol
Purchase order
Quiet zones
Reader
Regional carrier
Standard Carrier Alpha Code (SCAC)
Scanner
Serial number
Shipment
Stock Keeping Unit (SKU)
Stacked barcode
Standard pack/fixed content
Super-regional carrier
Supplier
Supply chain management
Tariff Bureau
Third Party Billing
Transit time
Value Added Network (VAN)
Wand reader
Wedge reader/scanner
Weight break
ZIP Code
Zone
Zone skip

Accessorial fee
A fee charged by a carrier for supplementary services, such as additional handling, fuel charges, inside delivery, COD, delivery confirmation and so on. Some accessorial fees discussed in this guide include: residential delivery surcharge, delivery area surcharge and delivery area surcharge extended.

Air bill
A document use by air freight carriers that contains a receipt of goods and an agreement to transport them to a consignee. An air bill typically includes a description of the shipment, consignee information and tracking number.

Acknowledgment of Delivery (AOD)
An accessorial offered by carriers that requires a consignee to sign a receipt as proof of delivery.

AQ rate
An "any quantity" rate is applied to any commodity regardless of the weight of the shipment. An AQ rate is an exception to the general rule "rates vary with weight."

Barcode/barcode symbol
The most commonly used form of automatic-identification technology, consisting of a series of light and dark vertical bars of different widths and adjoining spaces, used to represent a number, letter or symbol. Barcodes are printed on labels to create a unique identity when scanned.

Barcode label
A label that has a barcode and/or human readable information printed on it and can be attached to an item.

Barcode reader
A device used to identify and decode a barcode.

Call tag
An accessorial offered by carriers authorizing a carrier to pick up and return a package from the consignee back to the shipper. The shipper completes the call tag document and gives it to the carrier, authorizing the package pick up and return.

Carrier
An individual, partnership, or company in the business of transporting good or passengers.

Charge terms
Indicate responsibility for freight payment:
- Prepaid (PPD): The freight charges are paid by the shipper.
- Prepaid and add (PPA): The consignee pays the freight charges added to the order invoice.
- Collect (COL): The consignee pays the freight charges to the carrier when the shipment is delivered.
- 3rd party (3RD): A party other than the shipper or consignee pays the freight charges.

Claim
A charge made against a shipper or carrier for loss, damage, delay or overcharge.

Collect on delivery (COD)
A collection service a carrier may offer to collect cash payment of the seller's merchandise from the consignee for a fee.

Commodity code
An arbitrary number associated with a class of goods or a product's freight class.

Common carrier
A "for hire" carrier that provides service to the general public on a regular schedule at published rates.

Consignee
The person or company to whom the freight is being shipped, usually the buyer.

Consignee billing
A method of sending a shipment or packages when the consignee will be paying for the freight.

Contract carrier
A for-hire carrier that does not serve the general public but services shippers that have contracted with the carrier.

Contract rate
A base rate with a negotiated discount applied.

Courier service
A fast door-to-door service for high valued goods and documents.

CWT rates
Rating by cents or dollar, per hundredweight.

Declared value
The value of a package stated on a manifest or bill of lading for insurance purposes.

Dimensional rating
Used to rate odd shaped packages by volume rather than actual weight when the DIM weight (length x width x height divided by a weight factor) is greater than the actual weight.

Discount
A negotiated reduction of a carrier's base rate.

Drop ship
To save money, large numbers of prepaid and labeled parcels are trucked from the shipper's processing location across several UPS® or USPS® zones to a post office or other parcel carrier. The parcel carrier then delivers the parcels to the consignees. Cost savings are realized by paying the lower 1 or 2 zone rate in addition to the truckload charges, but the combination is often much less than paying the individual parcel costs to zones 7 or 8 to hundreds of consignees.

Electronic Data Interchange (EDI)
The exchange of business data (documents) between two parties in a standardized digital format. The process by which companies can exchange business documents directly from application to application electronically, without paper documents produced.

Electronic mailbox
The place where EDI transmissions are stored for pickup and delivery within a third-party service provider's system.

Exempt carrier
A for-hire carrier that is exempt from economic regulation.

Fixed beam scanner
A barcode reader that uses a stationary beam and relies on the relative movement of the item for scanning (e.g. grocery checkout).

For-hire carrier
A carrier that provides a transportation service to the public on a fee basis.

Freight bill
The carrier's invoice for transporting shipments.

Freight class
A classification number assigned to a commodity using the NMFC numbering system used to calculate freight charges.

Freight rate
The cost or charge to move freight.

Gross weight
The total weight of the vehicle and the freight.

Hand held reader/scanner
A barcode reader held and operated by a human, facilitating greater scanning mobility.

Hazardous materials
Materials that the Department of Transportation has determined may be a risk to health, safety and property. Examples are explosives, poisons, radioactive materials, corrosive liquids and flammable liquids.

Human readable
Characters or data in number or letter format that can be read and understood by a human, as opposed to a barcode.

Identification code
A code used to identify products and shipping containers. They are typically numeric and have a defined data structure.

Invoice
Bill to customer for order or shipment; includes charges for material shipped and, if applicable, freight charges, customizing charges and more.

Logistics
All the activities involved in planning, handling, storing and transporting goods and materials in a supply chain.

Machine readable
Printed information that facilitates the direct transfer of information from a printed surface to a data processing system without human intervention.

Manifest
A document used primarily by small package carriers that provides line-item details about the packages in the pickup, charge terms, tracking numbers, accessorial charges (among other charges) for invoicing purposes.

Minimum rate
The shipment weight that the carrier's tariff specifies as the minimum weight required to use their less than truckload (LTL) or truck load (TL) rate.

Mode
The type of service used to transport shipments (e.g. air, ground, LTL, TL).

Multi-carrier shipping software
Software designed to aggregate shipping rates and delivery options from all major carriers within one platform.

National carrier
A carrier serving an entire country.

Non-contact reader/scanner
A barcode reader with a fixed or moving beam scanner that can read a barcode without making contact with the symbol.

Oversize
An accessorial offered by carriers allowing shippers to ship larger, light weight packages.

Packing list
A list showing merchandise packed and all particulars. Typically, the list details contents of a shipping case, package or multiple packages prepared in response to an order. It is normally prepared by the shipper and a copy is sent to the consignee to verify the shipment contents.

Proof of Delivery (POD)
Information proving a package was delivered. The POD typically includes date, name and recipient signature.

Postnet code
A barcode developed by the US Postal Service to help automate mail sorting.

Private carrier
A carrier that provides a transportation service to a firm that owns or leases the vehicles and does not charge a fee.

Protocol
Rules or conventions used between communicating devices such as computers. For example, a simple protocol defines PC hardware configurations. A more complex protocol defines data formats, timing and error correction.

Purchase order
A transaction set generated by a customer containing all the information required by a supplier to process an order of product or services.

Quiet zones
In barcodes, the area at each end of the overall symbol. This area must be free of imprinting so the scanner can isolate the barcode for interpretation.

Reader
A device used for automatically reading data. The data can be stored in a barcode, on a magnetic strip, in the memory of a smart card or embedded in alphanumeric characters.

Regional carrier
A carrier serving a specific area or region of the US.

Standard Carrier Alpha Code (SCAC)
The unique code assigned to a carrier for identification.

Scanner
An electronic device that reads barcodes and converts the information into code that a computer understands.

Serial number
Unique identification of each instance of a SKU. Some SKUs are tracked by serial number. In such cases, each item must be barcoded or the serial number must be recorded for each item.

Shipment
Goods or merchandise in pieces, parcels, containers or pallets for transportation from a shipper to a destination.

Stock Keeping Unit (SKU)
A number generated by a company to identify a product. An item's universal product code (UPC) could be its SKU.

Stacked barcode
Horizontally stacked barcode with a row number identifier denoting how many rows (2-8) are stacked. This allows multiple barcode scanning in any order by sweeping top to bottom or bottom to top, across the entire block. Also, referred to as two-dimensional barcode.

Standard pack/fixed content
All items or contents in the packaging unit are identical in standard packaging.

Super-regional carrier
A carrier serving large portions of the US with no geographic break in service.

Supplier
The entity that produces, provides or furnishes an item or service, such as the owner of a UPC company prefix.

Supply chain management
A term used interchangeably with logistics referring to the chain of events, industries and firms linked together, from the acquisition of raw materials to delivery of the final product.

Tariff bureau
An organization that publishes and maintains libraries of tariffs.

Third party billing
Shipping for a client utilizing their carrier account so that client is billed directly. Note that both UPS and FedEx now charge an additional fee as a percent of the shipping cost to bill third party.

Transit time
The total time that elapses from pickup to delivery of a shipment.

Value Added Network (VAN)
It is like an "electronic post office" where shippers and senders send and receive EDI transactions.

Wand reader
A handheld scanning device, which resembles a large pen, used as a contact barcode reader.

Wedge reader/scanner
A barcode reader designed to fit between a keyboard and a computer. The keyboard is plugged into the wedge and a cable is plugged into the keyboard interface on the computer. Data scanned using a wedge appears on the monitor as if the data was typed into the computer, which eliminates the need to modify application software.

Weight break
A point in a weight-based rate table where the rate calculation changes, usually set in increments.

ZIP Code™
A five-digit number that identifies a destination.

Zone
A geographic distance from an origin, usually in two hundred mile increments. The higher the zone number, the further distance it is from the origin, generating a higher shipping cost.

Zone skip
To save money, large numbers of prepaid and labeled parcels are trucked from the shipper's processing location across several carrier zones to a post office or other parcel carrier. The parcel carrier then delivers the parcels to the consignees. Cost savings are realized by paying the lower 1 or 2 zone rate in addition to the truckload charges; the combination is often much less than paying the individual parcel costs to zones 7 or 8 across hundreds of consignees.

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For more shipping tips visit pitneybowes.com/us/shipping/tips

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