

Wake Up Call For FedEx's 2 Day AM Service

When announcing their new 2-Day AM Service, FedEx's web site described the service as "Dependable and Convenient". This may be true but it could also be described as potentially expensive if shippers do not take explicit action.

Many shippers may not realize that for negotiated discounts to be applied those discounts must be stated for each level of service. In some instances you not only have to explicitly state that the discounts apply to a particular service, you must also indicate the packaging that the discount applies to.

In parcel carrier contracts, discounts are not automatically applied to each level of service that is currently used. The discount must be stipulated or in absence of such stipulation, "street" or "list rates" will be applied to your shipments.

We bring this to your attention with the launch of FedEx's new 2-Day AM service level. As a new service, most existing FedEx contracts or pricing agreements do not explicitly identify a discount level with FedEx's 2-Day AM service. As a result, list rates are applied to these shipments.

We want to put this situation in perspective. First use of the new FedEx 2-Day AM service is, as it should be, more expensive than the standard 2 day service by 15%. This difference grows dramatically if you have not received your corporate discount because it is not stated in your pricing agreement for this service.

This service provides second business day delivery by 10:30 a.m. to most U.S. addresses; by noon to rural areas. You can follow this link to [Check transit times](#). On time performance money back guarantees can apply.

For additional details about Alaska and Hawaii shipments, please see [FedEx® Alaska and Hawaii services](#). You can ship packages up to 150 lbs. each; up to 119" in length, 165" in length plus girth (L+2W+2H).

If you use this service level or you anticipate that you will use this service, you need to reach out to FedEx immediately to have an appropriate discount added to your carrier pricing agreement.

For support in negotiating discounts for this new service or a complete review of your current contracts and pricing agreements with your carriers, please contact Karin Speaker at 239 707 7204 or Karin.Speaker@Data2Logistics.com.