

October 11, 2010

Volume 2, Issue 38

Transportation Corner
By Chris Johnson

***This week's
Transportation News!***

• In Airline news, Air Canada has extended its "Special Spot Rates" out of LAX through December 2010. For members wanting to take advantage of special pricing to Canada, simply call 800-522-2746 to get your special spot rate. Rates are posted on our website, are good out of LAX only and subject to change.

• Just a reminder to the Membership that NORCAL now has a page on the popular social networking website, Facebook. Just [Click here](#) and you can view our new page. Once on our page, you can click on the "Like" button at the top and be added to our fan page. We have posted photos, events and much more. We hope you enjoy our page and if you have events that you would like us to add, please let us know.

NORCAL NEWS



"California Association of Flower Growers & Shippers"

*Our Mission Statement:
"To get more flowers from California to their destination fresher and faster"*

Carriers Announcing 2011 General Rate Increases

By Chris Johnson—Director of Transportation, NORCAL and Rob Martinez, MQC, CMDSM President, Transult Inc.

FedEx announced FedEx Express shipping rates will increase by an average of 5.9% for U.S. domestic and U.S. export services effective January 3, 2011. The general rate increase (GRI) is partially offset by a 2% reduction to the fuel surcharge table.

However, rate increases vary significantly by service, weight and zone and can be significantly higher than 5.9%. Shippers are encouraged to analyze their unique distribution to better understand the impact of the annual increase.

Accessorial charges are also set to increase January 3, 2011. Visit www.fedex.com for a complete list of changes, but highlighting some of the more significant increases:

- Additional Handling Service – Increases from \$7.50 (in 2010) to \$8.00 (in 2011).
- Delivery Area Surcharges (Commercial) – Increases from \$1.70 to \$1.85
- Delivery Area Surcharges (Residential) – Increases from \$2.50 to \$2.75
- Delivery Area Surcharges (Extended Residential) – Increases from \$2.75 to \$3.00
- Residential Surcharge (Express shipments) – Increases from \$2.50 to \$2.75.

FedEx also announced a change to its Express and Ground dimensional weight volumetric divisor for 2011: The "DIM factor" will change from 194 to 166 for U.S. domestic shipments, and from 166 to 139 for export shipments.

However, NORCAL members are less impacted by many of these rate and accessorial increases because our FedEx contract includes special terms including:

- Additional Handling Service Fee = 100% discount
- Dimensional Factor = 250 > 1 cubic foot and 600 < 1 cubic foot.
- Saturday pickup and delivery = 50% discount year round and 100% discount for specific floral holidays.
- On Call charges = 100% discount
- Residential surcharges = 25% discount

Regarding Ground services, general rate increases have not yet been announced. UPS will announce its GRI within the next few weeks, and FedEx is expected to match UPS's Ground increases.

We will have more details on this as January approaches. For additional information, visit the carriers' websites, contact Chris Johnson at NORCAL or NORCAL's shipping consultant, Rob Martinez at 858-538-3359 or rob@transult.com.



NORCAL

*"California Association of
Flower Growers & Shippers"*
2901 Park Ave. Suite D-3
Soquel, CA 95073
Phone: 831-479-4912
Fax: 831-479-4914
Website: www.cafgs.org

***"We are on a mission to
get more flowers from
California to their desti-
nation fresher and
faster".***

Save the Date !

**Mark your calendar for
the 2011 California Floral
Convention July 20-23 at
the La Costa Resort and
Spa in beautiful Carlsbad
California.**