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## Effects of Tariffs and Changing Fees for the Shipping Industry

In this article, we're looking at what those measures are, who will be affected, and what to consider when moving forward.

### More Increases

Recently, UPS has introduced new fees and increases, mainly with regards to invoice payment methods, and it's crucial for businesses to be aware of these changes to avoid unexpected costs. If you've been paying invoices using a credit card, be prepared for a 2% fee to be applied. As well, payments made by check or wire transfer will now incur a \$25 fee per invoice. There is an alternative: ACH payments, which do not carry these fees and can help businesses save money in the long run if you're able to make the switch.

Additionally, UPS has raised its late fee to 9.9% of the invoice total, making it even more important for businesses to stay on top of their payment schedules. Those accustomed to making payments via checks can easily incur late fees simply due to mailing time. This increase could add significant costs if not managed carefully.

Beyond these new payment fees, UPS has also implemented fuel surcharges on some accessororial fees, including address corrections or declared value services, within the United States. This update does not affect Canadian businesses, so the impact will be felt mostly by companies operating within the U.S. These adjustments add an extra layer of complexity for businesses to navigate when managing shipping and logistics costs.

### Tariffs are Another Factor

These recent shifts come in the wake of heightened tariffs imposed between the United States and Canada, which have caused many industries to reassess their operational strategies. Shipping vendors are responding by adjusting their pricing structures, and companies must adapt accordingly to maintain cost efficiency.

### What are Vendors Doing?

**UPS:** Effective March 4, 2025, UPS has informed customers that an additional 25% tariff applies to all goods originating from Canada and Mexico. Energy resources from Canada, including oil, natural gas, and electricity, are subject to an additional 10% tariff.

As of March 7, 2025, commodities that qualify under the United States-Mexico-Canada Agreement (USMCA) are exempt from these additional tariffs. UPS advises customers to review the USMCA guidelines to determine eligibility for tariff exemptions.

**FedEx:** FedEx has issued regulatory alerts detailing the implementation of additional duties on products from Canada and Mexico. The company emphasizes the importance of compliance with the new tariff regulations and advises customers to stay informed about these changes.





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## What Can You Do?

In response to these changes, businesses are advised to carefully review their shipping practices and payment methods. Exploring options like ACH payments to avoid the new fees and adjusting payment schedules to prevent costly late charges are crucial steps.

As the shipping industry continues to react amidst changing tariffs and fees, businesses must remain vigilant and proactive in managing their shipping costs. Stay informed on the latest developments, evaluate your USMCA eligibility as it pertains to your goods and consider your pricing on shipping. Being proactive when it comes to addressing these changes will be your most effective solution in navigating this evolving trade environment and mitigating its impact on your operations.

