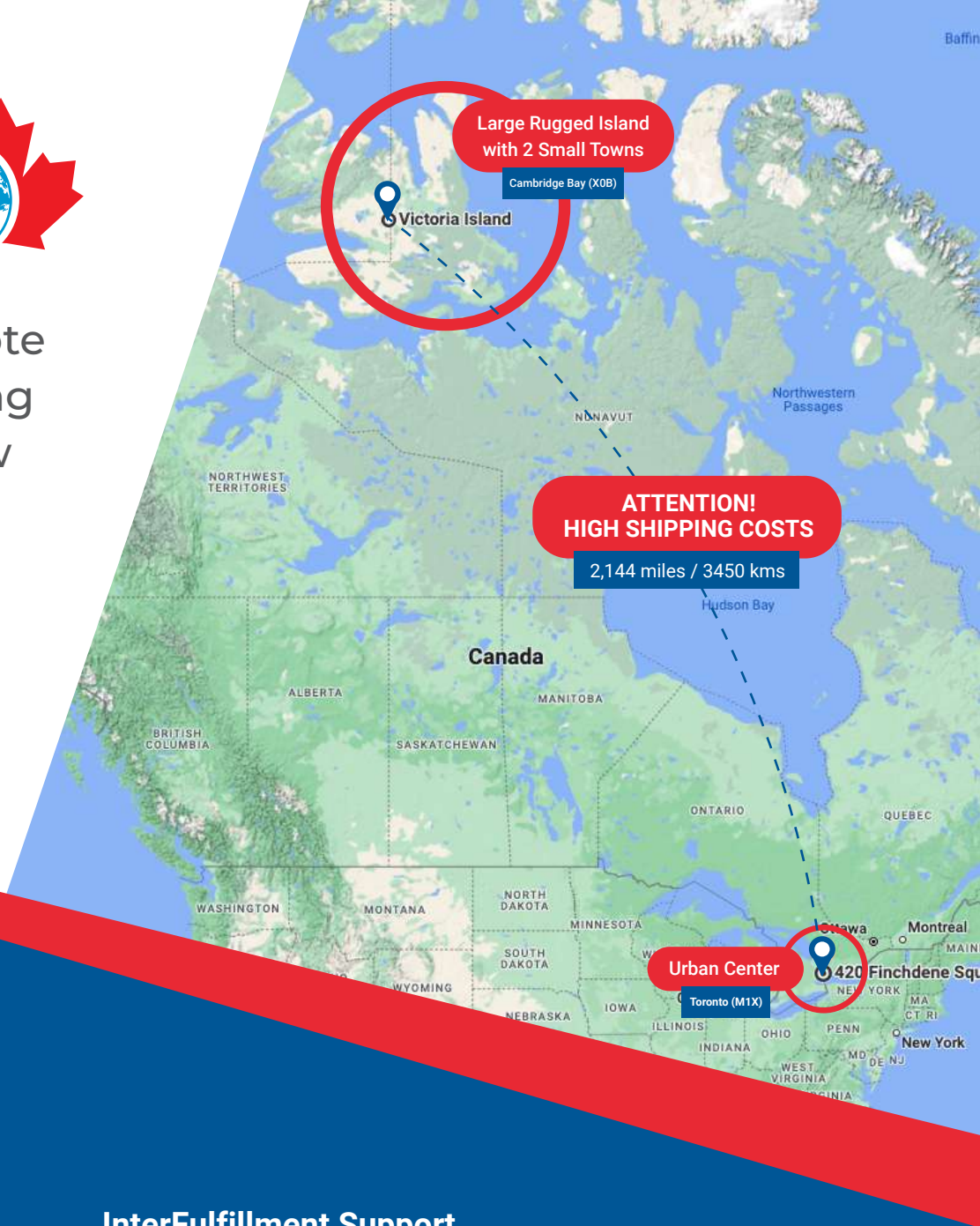




## Important Remote Location Shipping Charge Overview



### InterFulfillment Support

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Vancouver (604) 227-7170

[www.interfulfillment.com](http://www.interfulfillment.com)



# Important Remote Location Shipping Charge Overview

## Introduction

Canada is a very large land mass, however a large portion of its population is situated near the southern border with the United States. It is important to understand that **when shipping to your customers in Canada, offering a flat rate can be very challenging.**

Although **offering free shipping to customers is not recommended** due to the fact carrier rates can fluctuate significantly shipping in Canada, many merchants have found a successful balance by offering a minimum order amount for free shipping. For example, spend \$150 to get free shipping.

**A shipment to a remote location can cost up to 10 times the amount as a shipment to a populated area.** InterFulfillment strongly recommends that each of our customers uses the information provided in this document to set appropriate shipping policies.

Please note that people who reside in remote locations make up a very small portion of the population. These **residents are accustomed to paying appropriate shipping rates** for their area.



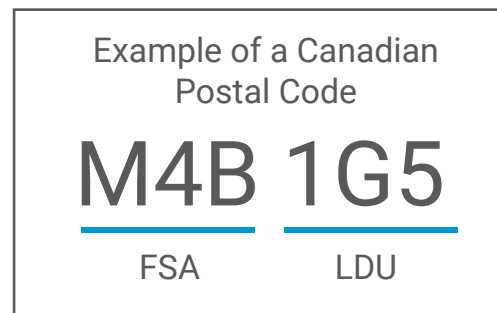
## Important Remote Location Shipping Charge Overview

### Understanding Canadian Postal Codes

Every area in Canada is assigned a Postal Code. The structure of a Postal Code indicates whether the address being shipped to is considered a Remote Location.

Two segments make up a postal code: Forward Sortation Area (FSA) and Local Delivery Unit (LDU). The FSA is a combination of three characters (alpha-numeric-alpha). It identifies a major geographic area in an urban or a rural location. The LDU is a combination of three characters (numeric-alpha-numeric).

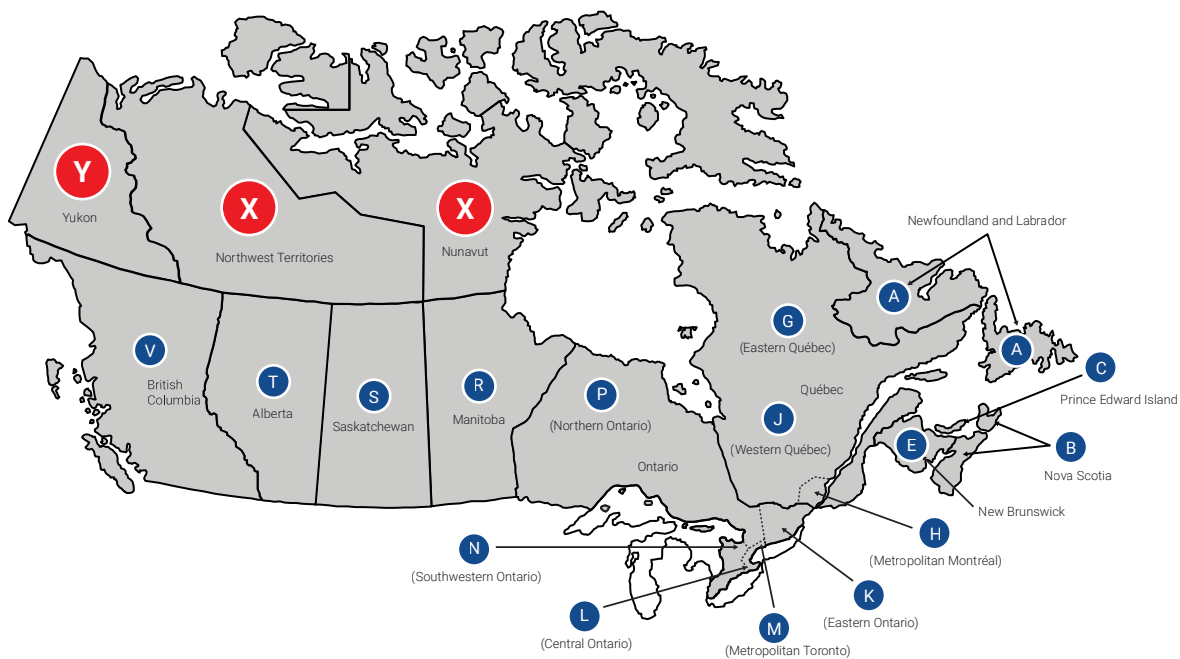
What we want to focus on when it comes to remote locations is the first character which is always a letter, and even more so the second character, which is always a digit.



## Postal Code Map of Canada

The first character of every Postal Code indicates the part of a province or territory that is associated with that Postal Code, as depicted in the map below. **Postal Codes that start with X or Y are considered super remote.** Shipping rates to those Postal Codes will be very high.

In addition, other provinces have Postal Codes that are considered remote that do not start with X or Y. **It is crucial to factor this into shipping rates and policies in order to avoid unforeseen expenses.**



**ATTENTION:** InterFulfillment does NOT recommend shipping to the Yukon, Northwest Territories and Nunavut (especially items over 10 lbs)



## Important Remote Location Shipping Charge Overview

### Establishing Remote Locations with Postal Codes

Now that we understand the structure of a Postal Code and how the first character is selected, we can use them to determine if our shipments are headed for a remote location.

Doing this is simple. **If the Postal Code has a 0 as a the second number, then it represents a remote location.**

For a comprehensive list of remote location Postal Codes from Canada Post, visit: <https://interfulfillment.com/remote-postal-codes>

Example of a Canadian Remote Location Postal Code

**X0A**

Second FSA  
Number is 0

**0H0**

Last LDU  
Number is 0



#### **WARNING:**

Shipping to Postal Codes with a 0 as the 2nd character will cost **SIGNIFICANTLY MORE** than other shipments!



## Important Remote Location Shipping Charge Overview

### How to Protect Yourself from the Ridiculously High Carrier Costs When Shipping to Remote Locations

#### » **Charge Appropriate Shipping at Checkout**

Create functions on your sales channels that identify remote locations by using the Postal Code and charge customers appropriate shipping at checkout.

#### » **Update Shipping Policies**

Ensure you mention in your shipping policies that shipping to remote locations (Postal Codes that have 0 as the second character) will be subject to additional shipping charges.

#### » **Cancel Remote Locations Orders and Follow Up with Customer**

Cancel orders shipping to remote location and contact the customer in order to advise them of the high shipping costs and contact them directly to inquire if they would still like to place their order.

#### » **Halt Shipping to Remote Locations Until Measures Are in Place**

Refrain from offering shipping to remote locations until you have proper protocols and procedures in place to cover the costs. Remember, Canada is a large land-mass but most of the population does not live in remote locations.

## Example of a Remote Location in Ontario

To shed some light on the challenges of shipping to remote locations we will use shipping from our Toronto, Ontario facility (M1X) to Attawapiskat, Ontario (P0L).



- ➔ Although in the same Province, these locations are 1,044 KM apart.
- ➔ Many parts of the P0L Postal Code can not be accessed by automobiles.
- ➔ The population of Attawapiskat is 1,501 and the population of the Greater Toronto Area is nearly 6 million.
- ➔ Shipping to Attawapiskat can be more than 10 times more expensive than shipping the same parcel to the GTA.

## Example of a Remote Location in British Columbia

Ontario is not the only province that has dense population centers surrounded by remote locations. In this example we will look at shipping from our Vancouver, BC facility (V3M) to Blind Channel, BC (V0P).



➔ These locations are a mere 250 KM apart but because of the nature of the landscape and infrastructure in place, delivering parcels to this location is challenging for carriers.

➔ Many parts of the V0P Postal Code can not be accessed by automobiles.

➔ The population of Blind Channel is 1,976 and the population of the Greater Vancouver Area is nearly 2.5 million.





## Important Remote Location Shipping Charge Overview

### Carrier Delivery Area Surcharges

It is important to be aware that **not all remote locations are considered equal by carriers**. Carriers factor in certain Delivery Area Surcharges for parcels depending on the classification of the report location they are shipping to.

For example, UPS has the following Delivery Area Surcharges in place:

- Domestic Delivery Area Surcharge \$4.35
- Domestic Delivery Area Surcharge – Extended \$16.20
- Domestic Delivery Area Surcharge – Remote \$19.45
- Domestic Delivery Area Surcharge – Super Remote \$105.00

As you can see, **these surcharges which are part of every shipping rate can quickly INCREASE the amount charged** depending on how remote the location is considered by the designated carrier. These charges are **significant and often represent the bulk of the shipping rate**, that is what makes understanding them so critical when shipping across Canada.

As per UPS policies, the surcharges shown above are subject to change without prior notice. For the latest Delivery Area Surcharges, please visit: <https://www.ups.com/ca/en/shipping/zones-and-rates/additional.page>

**REMINDER:** Many other factors can impact carrier shipping rates, including but limited to Fuel Surcharges





## Important Remote Location Shipping Charge Overview

### Conclusion

**Due to the high cost of shipping to remote locations its is very important to use the knowledge in this document to set shipping rates and policies in order to avoid unforeseen losses** when shipping to these areas. This is even more crucial when shipping larger or heavier products.

Please **ensure that your sales channels use postal code structure in order to outline where in Canada you will ship and how much it will cost** your customers. Remember, customers who live in these locations typically understand and accept the cost of shipping to them when ordering products online.

**Ignoring the realities, nuances and carrier cost structure of shipping across Canada is a very costly mistake!**

For many products, just **a handful of shipments can negatively impact profit margins**. Many items are simply not worth shipping to certain locations. If you have any questions regarding this information please contact [support@interfulfillment.com](mailto:support@interfulfillment.com) for further clarification.



# Important Remote Location Shipping Charge Overview

## Important Resources

- Canada Post Remote Postal Codes List  
<https://interfulfillment.com/remote-postal-codes>
- Canada Post Air Stage Offices  
<https://www.canadapost-postescanada.ca/cpc/en/support/articles/air-stage-offices/find-an-air-stage-office.page>
- Canada Post Delivery Standards  
<https://www.canadapost-postescanada.ca/cpc/doc/en/support/articles/delivery-standards.pdf>
- Addressing Guidelines / Postal Codes  
<https://www.canadapost-postescanada.ca/cpc/en/support/articles/addressing-guidelines/postal-codes.page>
- UPS Additional and Value Added Charges  
<https://www.ups.com/ca/en/shipping/zones-and-rates/additional.page>