ROUNDUP: These Corporations Rolled Out New Surcharges After Posting Billions in Net Income

Washington D.C. – This week, online retail giant Amazon announced a 5% fuel inflation surcharge for its sellers on the heels of the company hiking Prime subscription prices. The new fees come despite the corporation boasting $33 billion net income for the 2021 fiscal year, a staggering $12 billion increase over last year. But they are not alone. Government watchdog Accountable.US found several additional companies, including FedEx, Sherwin Williams, and Union Pacific, have been imposing surcharges despite seeing billions in net income and spending millions on shareholder handouts. *See details below.

"Corporations that netted billions in income and were able to reward shareholders billions more than the year before have a weak case for why they needed to impose surcharges that get passed along to the consumer. When a highly profitable corporation raises rates beyond their cost of doing business in pursuit of higher profits, that ends up diminishing the purchasing power of average families and threatens to hold back the economy for everyone. Just because a corporation can hike rates so high doesn't mean they have to," said **Kyle Herrig, president of Accountable.US**.

For months, Accountable.US has highlighted how major companies across the supply chain have used the pandemic as an excuse to increase their wealth and line their own pockets. Many CEOs have claimed they had no choice but to increase costs on consumers, while turning around to boast of rising profits to investors and reward their shareholders with stock buybacks and dividends.

HIGHLY-PROFITABLE CORPORATIONS IMPOSING NEW SURCHARGES:

In April 2022, **Amazon** announced an unprecedented 5% fuel and inflation surcharge for its sellers. This was shortly after the company announced it would substantially raise the price of its Prime subscription service as it reported that it made over $33 billion in its 2021 fiscal year—a $12 billion increase over the previous year.

In September 2021, **FedEx** announced it would impose several surcharges in addition to increasing shipping rates by 5.9% for many of its common shipping services. These new charges included a fuel surcharge, a "delivery and returns" surcharge for FedEx Ground Economy services, and many others. Mere months later, FedEx reported that it enjoyed a 25% increase in net income in its third quarter and spent over $2.8 billion on shareholder handouts in the first three quarters of its 2022 fiscal year.

In 2021, major rail corporation **Union Pacific** announced fuel surcharges and hiked surcharges on low-volume shippers sending goods out of California. The company later reported that its net income leaped by 22% to over $6.5 billion in its 2020 fiscal year, as it spent over $10 billion on stock buybacks and dividends through the year.

In September 2021, paint company **Sherwin-Williams** announced that it would impose a 4% surcharge in response to rising costs, in addition to "significant pricing actions" it had already taken. Despite the company's claims that it was struggling against supply chain issues, it still posted a net income of over $1.8 billion, spent nearly $3.4 billion on shareholder handouts, and touted three acquisitions in its 2021 fiscal year.

In July 2021, **Harley-Davidson** said it slapped on surcharges to certain motorcycle models to offset its costs. By February 2022, Harley was "boosted" by its surcharges and price hikes, helping it to beat Wall Street forecasts as it touted a fiscal year 2021 profit of $650 million and shareholder handouts totaling over $104 million through the year.

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