

UPS Establishes New Peak Shipping Charge

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UPS has announced a new peak charge applicable during selected weeks in November and December 2017 for US Residential, Large Packages and packages Over Maximum Limits. The new charge is designed to enable UPS to continue to provide best-in-class value to customers while offsetting some of the additional expenses incurred during significant volume surges.

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"We're focused on helping our customers achieve success during some of their most important selling seasons," said Alan Gershenhorn, UPS Chief Commercial Officer. "To meet their requirements, UPS flexes its delivery network to process near double our already massive regular daily volume, and that creates exceptional demands."

To meet peak volume demand, among many other investments, UPS acquires on a temporary basis and often at shorter-term premium rates, additional air and truck cargo capacity, temporary facilities, and additional sorting and delivery personnel. Further, shipments which are larger, heavier, or have unconventional shapes or sizes create even greater operational complexity during high-demand periods.

"Our goal is to help every customer obtain the delivery capacity they need, combined with predictable and timely service they count on from UPS, even when there is limited capacity in the UPS network." Gershenhorn continued.

The company's new per-piece peak charge* for the U.S. 48 contiguous states and intrastate Alaska and Hawaii** for applicable package types and periods is summarized in this chart***:

	Nov 19 to Nov 25	Nov 26 to Dec 2	Dec 3 to Dec 9	Dec 10 to Dec 16	Dec 17 to Dec 23
UPS Next Day Air® Residential	n/a	n/a	n/a	n/a	Source: UPS \$0.81
UPS 2nd Day Air® Residential	n/a	n/a	n/a	n/a	\$0.97
UPS 3 Day Select® Residential	n/a	n/a	n/a	n/a	\$0.97
Ground Residential	\$0.27	\$0.27	n/a	n/a	\$0.27

n/a = no additional charge during this period

* Peak Surcharge to be published Sept 1, 2017 in a revised version of the UPS U.S. Rate & Service Guide

** For packages to and from Alaska and Hawaii, the surcharge is posted on ups.com/rates

***Chart does not show all potentially applicable peak surcharges. Visit ups.com/rates for more detailed information.

"With the new peak charge, per-package costs for many shipments will only marginally increase during this very busy time of the year." Gershenhorn continued.

For example, a five-pound UPS Next Day Air® package shipped from Atlanta, GA to a residential address in Philadelphia, PA will increase about one percent, compared to non-peak shipping times. A similar package shipped to a commercial address would experience no additional cost. From November 19 through December 23, UPS will also apply peak surcharges to Large Packages and packages that exceed maximum size limits. These charges are in addition to normal surcharges applicable to such packages. When shipping packages that exceed UPS's published maximum size limits, customers are encouraged to consider using UPS Freight.

In addition, UPS will apply a peak surcharge on specific international air shipping lanes during certain periods of the year.

During the 2016 holiday season, the company's average daily volume exceeded 30m packages on more than half of the available shipping days. In contrast, on an average non-peak day, the company ships more than 19m packages. The company hired about 95,000 seasonal employees during the 2016 peak shipping period. Throughout all of 2016, UPS shipped almost 5bn packages, with almost 3m packages and documents shipped every day by the company's airline. Almost 3% of global GDP and 6% of U.S. GDP flows through the UPS network every day.