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2020 UPS GRI Analysis



# Summary

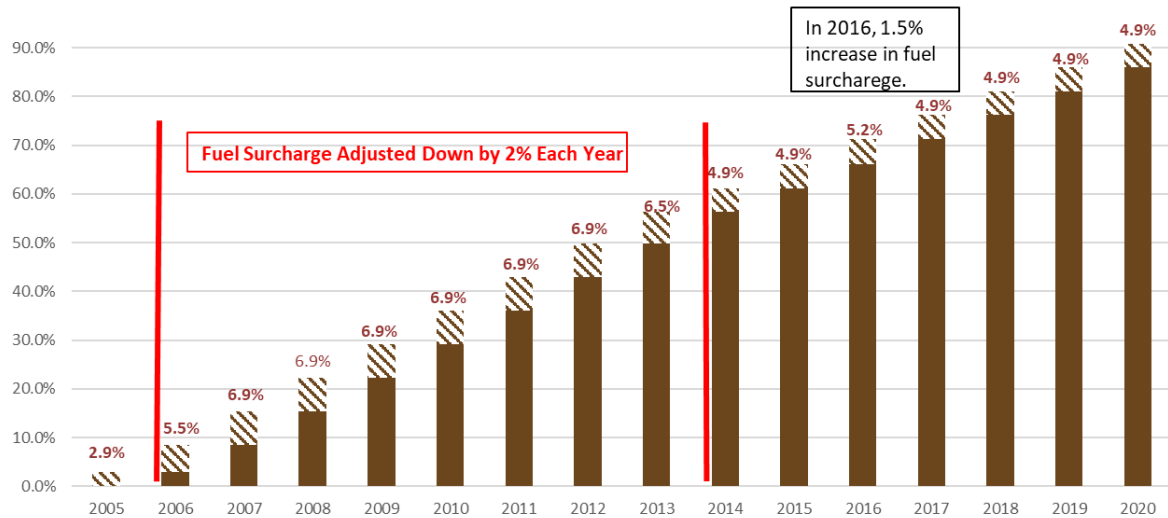
- On 11/18/2019, UPS announced the General Rate Increase for 2020, with an effective date of 12/29/2019. The announced average increase is 4.9% for UPS Ground, UPS Air/International Services, 4.2% for UPS Air Freight and 3.9% for UPS Freight.

UPS Service	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Metro Alaska & Hawaii	Puerto Rico	Remote Alaska & Hawaii
Next Day Air Early	2.93%	3.13%	4.31%	4.38%	4.41%	6.24%	6.27%	6.34%		
Next Day Air	3.83%	3.82%	4.88%	4.90%	4.91%	6.91%	6.92%	6.93%	4.62%	6.94%
Next Day Air Saver	3.90%	3.91%	4.85%	4.89%	4.92%	6.91%	6.91%			
2nd Day Air A.M.	3.90%	3.90%	3.90%	4.90%	4.90%	5.90%	5.89%			
2nd Day Air	4.87%	4.93%	4.90%	5.90%	5.90%	6.90%	6.89%	6.90%	6.12%	6.91%
3 Day Select	3.90%	3.90%	3.90%	6.90%	6.90%	7.90%	7.90%			
Ground	5.15%	5.06%	5.17%	5.17%	5.02%	5.19%	4.95%	4.17%	5.05%	4.45%

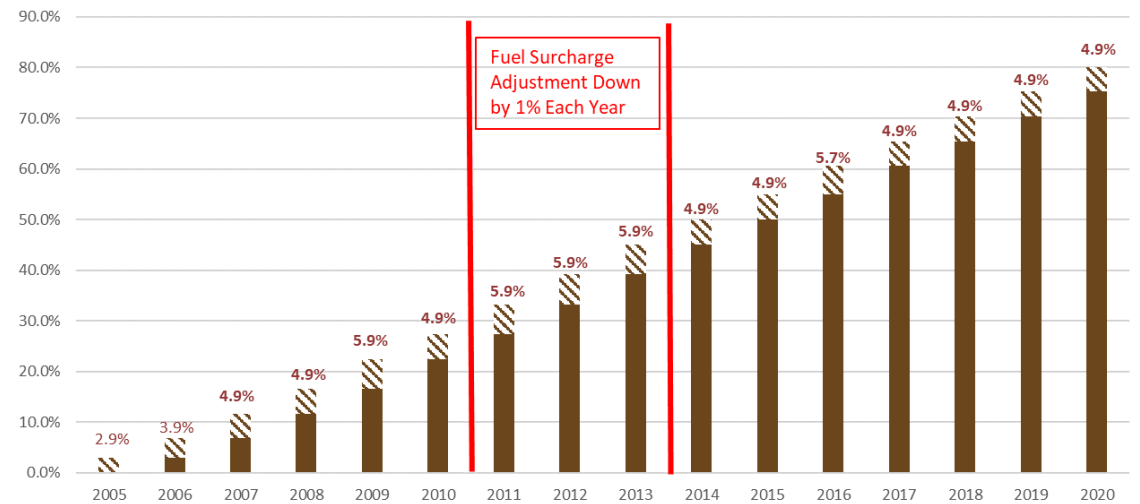
# Historical GRIs

- UPS list rates have been consistently increasing year over year for both Air and Ground.
- The cost of a one pound package shipped from Atlanta to Dallas using Next Day Air service would increase from \$27.50 in 2007 to \$66.41 in 2020 (not including any surcharges), an increase of 141%!

UPS Historical GRIs - Air



UPS Historical GRIs - Ground



# Peak Surcharge in 2019

- On Aug. 16, 2019, UPS announced that there is no Residential Peak Surcharge in 2019 peak season from Oct. 1<sup>st</sup> to Jan. 4<sup>th</sup>, 2020, but Large Packages Peak, Additional Handling Peak and Over Maximum Limits Peak get increased significantly for all U.S Domestic, U.S. Import, and U.S Export Service levels.

Surcharge Name	Applicable Services	Start Date	End Date	2018 Rate	2019 Rate	Weeks in 2019	Increase %
Large Packages Peak	US Domestic, US Import/Export	10/1/2019	1/4/2020	\$ 26.20	\$ 31.45	14	20.00%
Additional Handling Peak	US Domestic, US Import/Export	11/24/2019	1/4/2020	\$ 3.15	\$ 3.60	6	14.30%
Over Maximum Limits Peak	US Domestic, US Import/Export	10/1/2019	1/4/2020	\$ 165.00	\$ 250.00	14	51.50%

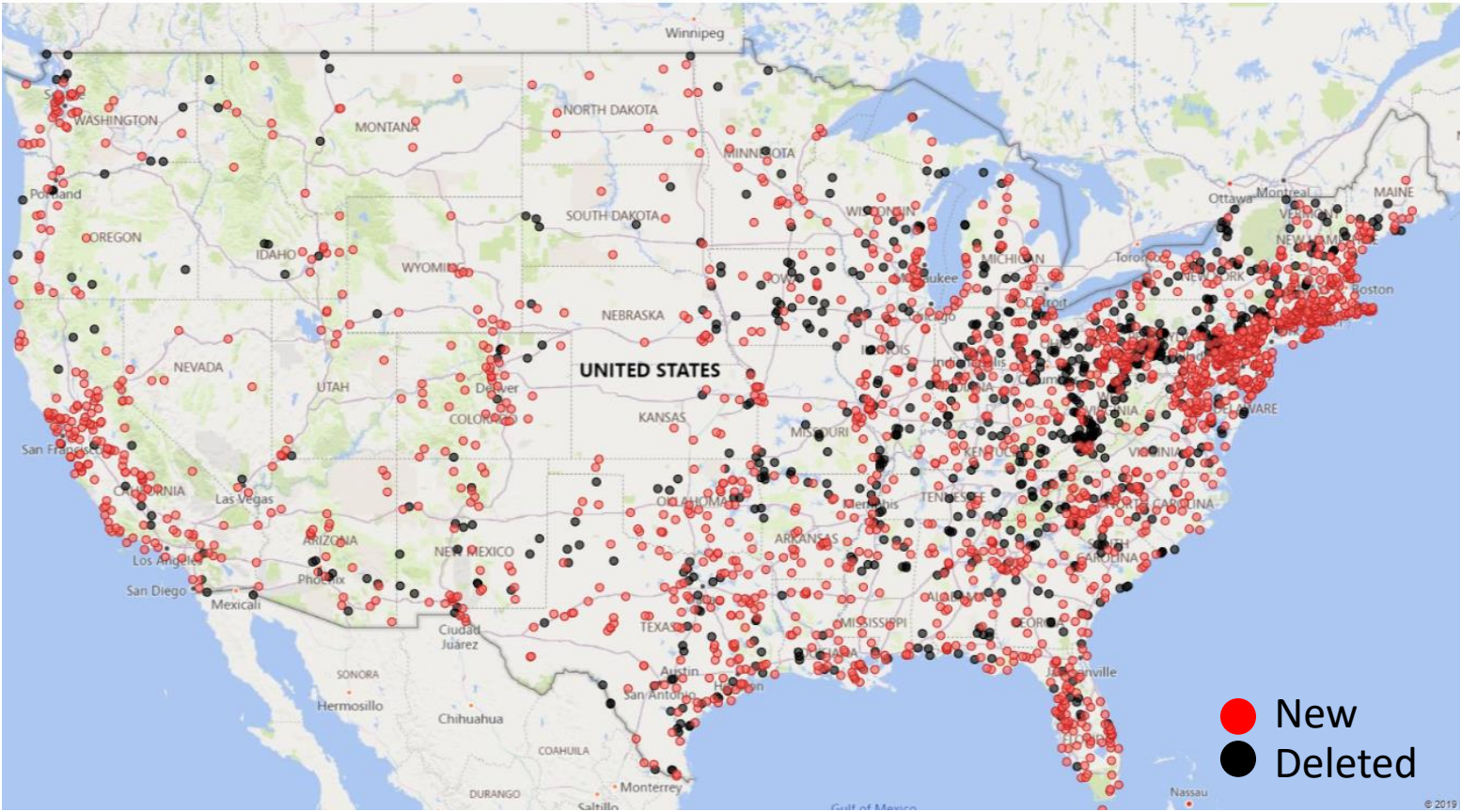
# Other Rate Changes

- AHS will apply to actual weight 50 pounds or more for UPS Ground and UPS Air.
- A rebill fee \$17.00 will be assessed for change on billing account for a shipment.
- A prohibited Item Fee \$150 applied to packages containing prohibited/restricted articles not in compliance with all UPS policies and procedures.
- Value-added services and other charges will apply to undeliverable packages.
- Late payment fee will be assessed if an invoice not paid in full by the invoice due date.
- A processing fee \$10 applies to each request to file a single entry under Entry Type 86.
- Ship to a UPS Access Point Location surcharge will be removed.

# DAS Zip Codes Changes

- UPS adds ~1200 zip codes for DAS and DAS Extended though 700 zip codes are removed from DAS lists.
- In 2020, UPS' DAS and DAS Extended zip codes are almost identical to FedEx' ones.

Coverage	2019	New	Downgrade from DAS Extended	Upgrade from DAS	Removed	2020
DAS	4,176	1,440	1,622		253	6,087
DAS Extended	19,266	527	-	898	519	18,550
<b>Total</b>	<b>23,442</b>	<b>1,967</b>	<b>1,622</b>	<b>898</b>	<b>772</b>	<b>24,637</b>



# Surcharges

Surcharges	2019 Rates	Increase	2020 Rates	Increase %
Additional Handling				
Weight (Domestic) > 50 lbs	\$23.00	\$1.00	\$24.00	4.35%
Length and Width (Domestic)	\$14.25	\$0.75	\$15.00	5.26%
Interntional	\$14.25	\$0.75	\$15.00	5.26%
Address Correction, Missing/Invalid Account Number or Refusal Fee	\$16.40	\$0.60	\$17.00	3.66%
Maximum per GFP Shipment	\$114.80	\$4.20	\$119.00	3.66%
Charge Back for Consignee Billing Shipments	\$16.40	\$0.60	\$17.00	3.66%
Collect On Delivery (C.O.D.)	\$14.50	\$1.00	\$15.50	6.90%
Dangerous Good (Hazardous Materials)				
U.S. Ground	\$35.00	\$2.00	\$37.00	5.71%
U.S. Air, accessible goods	\$98.00	\$7.00	\$105.00	7.14%
U.S. Air, inaccessible goods	\$49.00	\$2.50	\$51.50	5.10%
UPS Standard to/from Canada, minimum per shipment	\$42.75	\$1.25	\$44.00	2.92%
or per pkg	\$4.85	\$0.14	\$4.99	2.89%
UPS Intl Air/Worldwide Express Freight, min per shipment, accessible	\$153.50	\$9.00	\$162.50	5.86%
or UPS International Air per package, accessible goods	\$18.43	\$1.08	\$19.51	5.86%
or UPS Wordwide Express Freight per pound, accessible goods	\$0.83	\$0.05	\$0.88	6.02%
UPS Intl Air/Worldwide Express Freight, min per shipment, inaccessible	\$75.50	\$5.50	\$81.00	7.28%
or UPS International Air per package, inaccessible goods	\$9.06	\$0.66	\$9.72	7.28%
or UPS Worldwide Express Freight per pound, inaccessible	\$0.41	\$0.03	\$0.44	7.32%
Delivery Area Surcharge				
Ground Commercial	\$2.80	\$0.15	\$2.95	5.36%
Ground Commercial Extended	\$2.80	\$0.65	\$3.45	23.21%
Air Commercial	\$2.95	\$0.15	\$3.10	5.08%
Air Commercial Extended	\$2.95	\$0.65	\$3.60	22.03%
Ground DAS Residential	\$3.80	\$0.20	\$4.00	5.26%
Air DAS Residential	\$4.35	\$0.05	\$4.40	1.15%
Ground /Air DAS Residential Extended	\$4.85	\$0.55	\$5.40	11.34%
DAS Import	\$2.30	\$0.10	\$2.40	4.35%
Delivery Area Surcharge (Hundredweight)				
Air Commercial	\$14.25	\$1.25	\$15.50	8.77%
Air Commercial Extended	\$14.25	\$3.75	\$18.00	26.32%
Ground Commercial	\$13.50	\$1.25	\$14.75	9.26%
Ground Commercial Extended	\$13.50	\$3.75	\$17.25	27.78%
Air Residential	\$21.00	\$1.00	\$22.00	4.76%
Ground Residential	\$18.25	\$1.75	\$20.00	9.59%
Air/Ground Residential extended	\$23.25	\$3.75	\$27.00	16.13%

# Surcharges

Surcharges	2019 Rates	Increase	2020 Rates	Increase %
Remote Area Surcharge				
Remote Area Surcharge Alaska	\$28.00	\$2.00	\$30.00	7.14%
Remote Area Surcharge Hawaii	\$9.00	\$1.00	\$10.00	11.11%
Delivery Confirmation: Signature Required	\$5.00	\$0.25	\$5.25	5.00%
Delivery Confirmation: Adult Signature Required	\$6.05	\$0.30	\$6.35	4.96%
Delivery Intercept: Web Request	\$16.40	\$0.60	\$17.00	3.66%
Delivery Intercept: Phone Request	\$22.90	\$1.00	\$23.90	4.37%
Disbursement Fee (minimum)	\$11.00	\$1.00	\$12.00	9.09%
Dry Ice	\$5.55	\$0.30	\$5.85	5.41%
Electronic Export Information(E.E.I. Shipper's Export Declaration)	\$13.00	\$2.00	\$15.00	15.38%
Entry Type 86 Processing		\$10.00	\$10.00	100.00%
Extended Area Surcharge (International), per pound	\$0.38	\$0.02	\$0.40	5.26%
or minimum, per shipment	\$38.00	\$2.00	\$40.00	5.26%
Large Package Surcharge				
Domestic packages residential	\$115.00	\$5.00	\$120.00	4.35%
Domestic packages commercial and International packages	\$95.00	\$5.00	\$100.00	5.26%
Over Maximum Limits /Oversize Pallet Handling	\$850.00	\$25.00	\$875.00	2.94%
Prohibited Item Fee		\$150.00	\$150.00	100.00%
Rebill Fee, per request		\$17.00	\$17.00	100.00%
Residential Surcharge: Ground, Standard	\$3.95	\$0.15	\$4.10	3.80%
UPS Air & UPS International Air	\$4.55	\$0.15	\$4.70	3.30%
UPS Hundredweight (and GFP)	\$40.00	\$1.85	\$41.85	4.63%
Worldwide Express Freight	\$130.00	\$10.00	\$140.00	7.69%
Return Label (electronic and Print)	\$1.00	\$0.05	1.05	5.00%
Ship to a UPS Access Point Location	\$1.05	-\$1.05	\$0.00	(100.00%)
UPS Carbon Neutral (Standard)	\$0.10	-\$0.05	\$0.05	(50.00%)
UPS On-Call Pickup Area Surcharge				
Residential	\$3.80	\$0.20	\$4.00	5.26%
Extended Residential	\$4.85	\$0.55	\$5.40	11.34%
Scheduled Pickup:				
Daily (less than \$75/week spend)	\$29.00	\$2.00	\$31.00	6.90%
Daily (over \$75/week spend)	\$14.50	\$1.00	\$15.50	6.90%
Daily On-route, Day-Specific 4 Day (less than \$75/week spend)	\$27.00	\$2.00	\$29.00	7.41%
Daily On-route, Day-Specific 4 Day (over \$75/week spend)	\$13.50	\$1.00	\$14.50	7.41%
Day-Specific 3 Day, less than \$75/week spend	\$20.30	\$2.00	\$22.30	9.85%
Day-Specific 3 Day, over \$75/week spend	\$13.45	\$1.00	\$14.45	7.43%
Day-Specific 1-2 Days, UPS Smart Pickup	\$13.45	\$1.00	\$14.45	7.43%