



WAITING FOR THE OTHER SHOE TO DROP

When UPS publishes their revised version of their U.S. Rate & Service Guide on Sept 1, 2017 it will include a new peak charge applicable during selected peak shipping weeks in November and December 2017. The new charge will apply to U.S. Residential, Large Packages and packages Over Maximum Limits.

UPS is seeking to be compensated for the additional costs they incur during these peak shipping periods. This includes the premium prices they pay to acquire additional air and truck cargo capacity, temporary facilities, and additional sorting and delivery personnel. The company hired about 95,000 seasonal employees during the 2016 peak shipping period.



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 the chart published by UPS as shown below**:

Service	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	\$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

** 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.*

The shipping giant handles 3% of global GDP and 6% of U.S. GDP. These new charges will have the greatest impact on ground shipments. Peak period surcharges are expected to place additional pressure on retail businesses as they are already seeing margins shrink from their absorption of free shipping charges. This situation is further compounded by the fact that most people expect the other shoe to drop – as FedEx often mirrors the actions taken by UPS. As of this writing FedEx would only say that this matter is something that they are reviewing.

At Data2Logistics we want to share our experience in helping our clients control and reduce transportation cost. We want you to benefit from our decades of experience supporting parcel clients. To learn more about how we can help you, contact Harold B. Friedman at harold.friedman@data2Logistics.com or 609 577 3756.