

UPS® Peak Surcharges

August 20, 2020 Update

UPS continues to provide essential service amid the ongoing coronavirus outbreak to support the needs of our customers. Our goal is to ensure businesses and customers are able to meet their shipping needs while demand has increased for shipping services.

UPS Peak Surcharges

One or more Peak Surcharges will apply to packages shipped during the specified Peak Periods for the origins, destinations, and service levels and in the amounts set forth below. Peak Surcharges apply in addition to all other applicable Charges.

Peak Surcharges are subject to change and Peak Periods may be extended or otherwise changed. Shippers should continue to check ups.com/peaksurcharge for updates prior to tendering shipments.

A. Peak Surcharge – Applied to shipments from China Mainland to the U.S.¹

A Peak Surcharge will apply to shipments originating from China Mainland to the U.S. until further notice for the Service Levels and Peak Periods set forth below. The Peak Surcharge for shipments to the U.S. will be applied as a rate per pound based upon the billable weight of the shipment.

Peak Period (inclusive of starting and ending dates) and Applicable Peak Surcharge (\$/lb)

Service Levels	July 26, 2020 until August 29, 2020	August 30, 2020 until further notice
UPS Worldwide Express Plus®	\$0.79 per lb.	\$1.02 per lb.
UPS Worldwide Express®	\$0.79 per lb.	\$1.02 per lb.
UPS Worldwide Saver®	\$0.79 per lb.	\$1.02 per lb.
UPS Worldwide Expedited®	\$0.75 per lb.	\$0.98 per lb.
UPS Worldwide Express Freight®	\$1.59 per lb.	\$1.81 per lb.
UPS Worldwide Express Freight® Midday	\$1.59 per lb.	\$1.81 per lb

B. Peak Surcharge - Applied to shipments from Hong Kong SAR to the U.S.¹

A Peak Surcharge will apply to shipments originating from Hong Kong SAR to the U.S. until further notice for the Service Levels and Peak Periods set forth below. The Peak Surcharge for shipments to the U.S. will be applied as a rate per pound based upon the billable weight of the shipment.

Peak Period (inclusive of starting and ending dates) and Applicable Peak Surcharge (\$/lb)

Service Levels	July 26, 2020 until August 29, 2020	August 30, 2020 until further notice
UPS Worldwide Express Plus®	\$0.79 per lb.	\$1.02 per lb.
UPS Worldwide Express®	\$0.79 per lb.	\$1.02 per lb.
UPS Worldwide Saver®	\$0.79 per lb.	\$1.02 per lb.
UPS Worldwide Expedited®	\$0.75 per lb.	\$0.98 per lb.
UPS Worldwide Express Freight®	\$1.59 per lb.	\$1.81 per lb.
UPS Worldwide Express Freight® Midday	\$1.59 per lb.	\$1.81 per lb

¹ These Peak Surcharges apply to shipments originating from China Mainland or Hong Kong SAR to the U.S. that are paid for in the U.S.. For shipments from China Mainland or Hong Kong SAR to destinations other than the U.S. or that are paid for outside the U.S., see the country's respective UPS website for detail on Peak Surcharges..



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C. Peak Surcharge - Applied to shipments from Australia, New Zealand, and other Asia origins to the U.S.

A Peak Surcharge will apply to any shipment from Taiwan, Vietnam, Malaysia, Thailand, Indonesia, Singapore, Philippines, Australia, and New Zealand to the U.S. until further notice for the Service Levels and Peak Periods set forth below. The Peak Surcharge will be applied as a rate per pound based upon the billable weight of the shipment.

Peak Period (inclusive of starting and ending dates) and Applicable Peak Surcharge (\$/lb)

Service Levels	August 12, 2020 until August 29, 2020	August 30, 2020 until further notice
UPS Worldwide Express Plus®	\$0.11 per lb.	\$0.34 per lb.
UPS Worldwide Express®	\$0.11 per lb.	\$0.34 per lb.
UPS Worldwide Saver®	\$0.11 per lb.	\$0.34 per lb.
UPS Worldwide Expedited®	\$0.11 per lb.	\$0.29 per lb.
UPS Worldwide Express Freight®	\$0.34 per lb.	\$1.25 per lb.
UPS Worldwide Express Freight® Midday	\$0.34 per lb.	\$1.25 per lb.

D. <u>Peak Surcharge – Applied to international shipments from all origins (except China Mainland, Hong Kong SAR, and other origins listed in Section C) to all destinations</u>

A Peak Surcharge will apply to any international shipment from all origins (except China Mainland, Hong Kong SAR, and other origins listed in Section C) to all destinations until further notice for the Service Levels and Peak Periods set forth below. The Peak Surcharge will be applied as a rate per pound based upon the billable weight of the shipment. Peak Surcharges applicable to shipments originating from China Mainland, Hong Kong SAR and other origins listed in Section C are set forth in sections A, B, and C above.

Peak Period (inclusive of starting and ending dates) and Applicable Peak Surcharge (\$/lb)

Service Levels	April 12, 2020 until further notice
UPS Worldwide Express Plus®	\$0.11 per lb.
UPS Worldwide Express®	\$0.11 per lb.
UPS Worldwide Saver®	\$0.11 per lb.
UPS Worldwide Expedited®	\$0.11 per lb.
UPS Worldwide Express Freight®	\$0.34 per lb.
UPS Worldwide Express Freight® Midday	\$0.34 per lb.

E. Peak Surcharge – Applied to UPS® Ground Residential and UPS SurePost® Packages

A Peak Surcharge will apply to certain UPS Ground Residential (as defined in the UPS Tariff/Terms and Conditions of Service) and UPS SurePost packages, for all U.S. origins and destinations, for qualifying customers whose combined volume of Ground Residential and SurePost packages during the week immediately prior to the applicable invoicing period exceeded the customer's average weekly volume from February 2, 2020 through February 29, 2020 by more than 25,000 packages ("Initial Threshold"). The Peak Surcharge will apply in the amounts set forth in the chart below to the indicated service levels and during the specified Peak Periods:

Peak Period (inclusive of starting and ending dates) and Applicable Peak Surcharge (\$/package)

Service Levels	May 31, 2020 until November 14, 2020
UPS® Ground Residential	\$0.30 per package
UPS® SurePost	\$0.30 per package

² Once the Initial Threshold has been met, the Peak Surcharge applies until November 14, 2020 to all UPS Ground Residential and UPS SurePost packages in any week exceeding 110% of the customer's average weekly volume for February 2 through February 29, 2020) during the applicable weekly invoice period. Customer's volume includes any affiliated accounts and other accounts related to customer, as determined by UPS in its sole and unlimited discretion. Effective November 15, 2020, the Peak Surcharges set forth in section G will apply to UPS Ground Residential and UPS SurePost packages for qualifying customers, as set forth below.



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F. Peak Surcharge – Applied to Large Packages

A Peak surcharge will apply to qualifying customers who shipped more than 500 Large Packages during the week immediately prior to the applicable invoicing period, for all U.S. origins and destinations ("Initial Threshold for Large Packages"). ³ Large Packages are defined as packages with length (longest side of the package) plus girth [(2 x width) + (2 x height)] combined exceeding 130 inches, or with length exceeding 96 inches. Once the Initial Threshold for Large Packages has been met in any week, the Peak Surcharge will apply to all Large Package shipments at any time regardless of volume in the amounts set forth in the chart below to the indicated service levels and during the specified Peak Periods:

Peak Period (inclusive of starting and ending dates) and Applicable Peak Surcharge (\$/package)

Service Levels	May 31, 2020 until October 3, 2020
All Service Levels	\$31.45 per package

G. Peak Surcharge – Applied to UPS® Air Residential, UPS® Ground Residential and UPS SurePost® Packages

A Peak Surcharge will apply to certain UPS Air Residential,⁴ UPS Ground Residential,⁴ and UPS SurePost packages, for all U.S. origins and destinations, for qualifying customers who, at any point during the Peak Period, ship more than 25,000 packages per week.⁵ The Peak Surcharge will apply in the amounts set forth below to the indicated service levels during the specified Peak Period:

Peak Period (inclusive of starting and ending dates) and Applicable Peak Surcharge (\$/package)

Service Levels	Peak Period: November 15, 2020 to January 16, 2021		
	110% to 200%	>200% to 300%	>300%
	of February volume ⁶	of February volume ⁶	of February volume ⁶
UPS SurePost®	\$1 per package	\$2 per package	\$3 per package
UPS® Ground Residential	\$1 per package	\$2 per package	\$3 per package
UPS Next Day Air® Residential	\$2 per package.	\$3 per package	\$4 per package
All Other UPS® Air Residential	\$2 per package	\$3 per package	\$4 per package

H. Peak Surcharge – Other charges⁷

A Peak Surcharge will apply to Large Packages,⁴ packages that are Over Maximum Limits,⁴ and packages that require Additional Handling,⁴ for qualifying customers who at any point during the Peak Period ship more than 1,000 packages per week or ship more than 10 packages per week that otherwise qualify for any of these Peak Surcharges.⁷ The Peak Surcharges set forth below will apply to all U.S. domestic, U.S. import, and U.S. export shipments, for all origins and destinations, in the amounts set forth below during the specified Peak Period.

Other Charges	Peak Period: October 4, 2020 to January 16, 2021
Additional Handling	\$5 per package.
Large Package	\$50 per package
Over Maximum Limits	\$250 per package

³ This Peak Surcharge applies where the customer's volume of Large Packages for the week immediately prior to the applicable invoicing period exceeded 500 packages, as determined by UPS in its sole and unlimited discretion. The Peak Surcharge applies to all Large Packages for the applicable weekly invoice period. Customer's volume includes any affiliated ac counts and other accounts related to customer, as determined by UPS in its sole and unlimited discretion. Effective October 4, 2020, the Peak Surcharges set forth in section H will apply to Large Packages for qualifying customers, as set forth below.

⁴ As described in the UPS Rate and Service Guide and the UPS Tariff/Terms and Conditions of Service.

⁵ Applies to customers whose combined volume of Air Residential, Ground Residential, and SurePost packages exceeds 25,000 packages in any week during the Peak Period, regardless of the volume of customer's shipments for any particular service level. Once this threshold has been met, the Peak Surcharges apply for the remainder of the Peak Period to all service levels. Customer's volume includes any affiliated accounts and other accounts related to customer, as determined by UPS in its sole and unlimited discretion.

⁶ Peak Surcharge applies to all packages in any weekly invoice period exceeding 110% of the customer's average weekly volume for the applicable service level for February (February 2 through February 29, 2020), as determined by UPS in its sole and unlimited discretion. For holiday weeks that are not full UPS operating weeks (including Thanksgiving, Christmas, and New Year's), the surcharge will apply to all packages in that weekly invoice period exceeding 110% of the customer's average daily volume for the applicable service level for February (February 2 through February 29, 2020) multiplied by the number of full UPS operating days in that week, as determined by UPS in its sole and unlimited discretion. If customer's average weekly volume for the applicable service level for September (August 30 through October 3, 2020) is less than 80% of its average weekly volume for February 2 through February 29, 2020), as determined by UPS in its sole and unlimited discretion, then for the remainder of the Peak Period the Peak Surcharge for that service level will apply to all packages in any weekly invoice period exceeding 110% of the customer's average weekly volume for September. Customer's volume includes any affiliated accounts and other accounts related to customer, as determined by UPS in its sole and unlimited discretion.

⁷ Applies to customers who (1) ship more than 1,000 total packages in any week during the Peak Period, or (2) ship more than 10 packages combined that are Large Packages, Over Maximum Limits, or require Additional Handling in any week during the Peak Period. Once this threshold has been met, the Peak Surcharges apply for the remainder of the Peak Period to all Large Packages, packages that are Over Maximum Limits, and packages that require Additional Handling