FranklinParcel

Franklin Parcel UPS 2021 Rate Increase Review

2020 has been a challenging year for parcel shippers and a year of historical growth for the parcel carriers. Despite this record growth and profitability, UPS announced another 4.9% average general rate increase for 2021. When it comes to carrier increases, it is very important to understand that they affect all shippers differently. The true impact you experience will depend on your business' unique shipment characteristics. Some service levels will see up to almost an 8% increase in rate base adjustments alone!

In addition to the general 4.9% rate increase, UPS has announced that various Accessorial Charges and Value-Added Services will be increasing. For example, this year the minimum charge for UPS Ground Service is going up to $8.76, or increasing 6.44%. This could translate to an even bigger increase depending on your shipping profile.

Customers that ship larger packages will also feel another impact this year. Effective January 10, 2021, the *Additional Handling Surcharge- Dimensions* will be applied to any package exceeding 105". This is calculated by the combined length plus girth of a package. (length and girth = length + 2x H + 2x W). Effective April 11, 2021, rates for non-Hundredweight Service packages accessed an Additional Handling or Large Package Surcharge will now differ by zone. In July of 2021, this will also apply to Hundredweight Service packages as well.

Also noteworthy to mention is that UPS will be adding hundreds of new zip codes that will now be impacted by Delivery Area Surcharges.

In this analysis, **Franklin Parcel** will outline and illustrate percentage increases for each service. Key factors including package size, shipment weight, service selected, zones shipped to, and accessorial fees will determine the real impact to your business in 2021.

You need a partner dedicated to parcel analysis and management, who has the technology and expertise to help you understand how these "average" increases will truly impact your specific shipping profile. That is exactly what we do. Knowledge is power and understanding the complexities of carrier pricing agreements is precisely why you need us. Level the playing field in your next negotiation and contact us today.

Franklin Parcel –Leveraging data to help the little guy stand up to the big and powerful!

Visit us at **www.franklinparcel.com**, or email us at **ben@franklinparcel.com**

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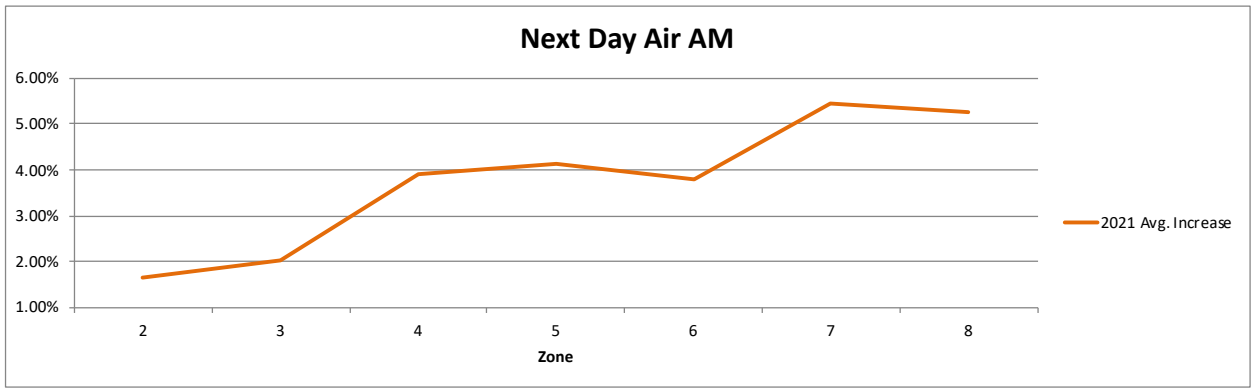
Increase Overview of Services

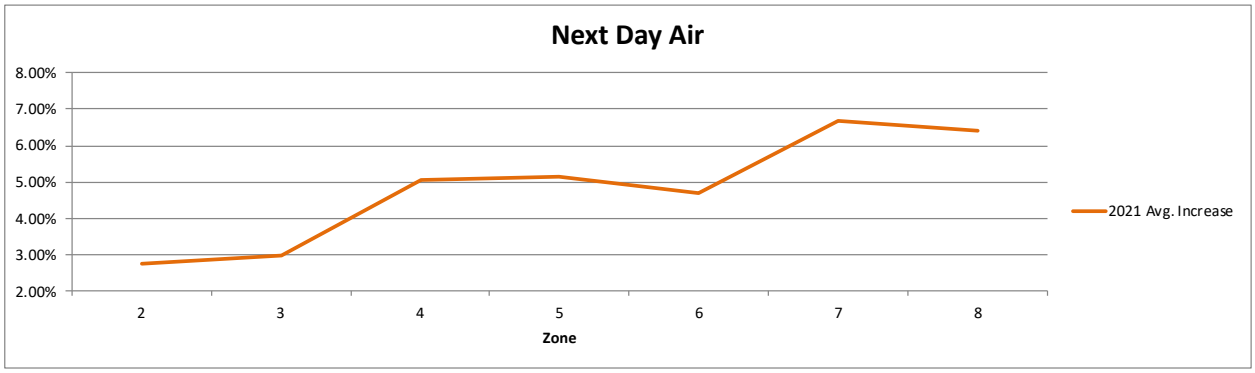
Next Day Air AM 2021 Increase



Next Day Air AM 2021 Increase

WT (Lbs)	2	3	4	5	6	7	8
1	2.42%	2.89%	3.85%	3.99%	4.06%	4.99%	5.03%
2	2.43%	2.46%	3.96%	4.09%	0.73%	5.04%	5.18%
3	1.14%	3.02%	4.09%	4.23%	4.33%	5.25%	5.29%
4	1.88%	1.40%	4.22%	4.34%	4.38%	5.35%	5.40%
5	1.13%	1.45%	4.25%	4.35%	3.94%	5.37%	4.94%
6	1.90%	3.15%	4.37%	4.52%	4.56%	5.52%	5.56%
7	1.96%	2.94%	4.42%	4.56%	4.60%	5.57%	5.64%
8	1.70%	1.37%	4.46%	2.53%	2.57%	5.63%	5.67%
9	1.20%	1.37%	2.34%	2.34%	2.37%	5.12%	4.10%
10	1.21%	1.74%	2.42%	1.69%	2.04%	4.58%	3.69%
20	1.38%	1.51%	2.46%	5.30%	3.98%	5.09%	4.86%
30	1.46%	1.59%	5.05%	5.15%	5.17%	6.20%	5.50%
40	1.53%	1.65%	4.54%	5.27%	5.25%	6.03%	6.33%
50	1.60%	1.70%	4.36%	5.33%	5.30%	6.39%	6.42%
Avg Increase	1.64%	2.02%	3.91%	4.12%	3.81%	5.44%	5.26%

Next Day Air 2021 Increase

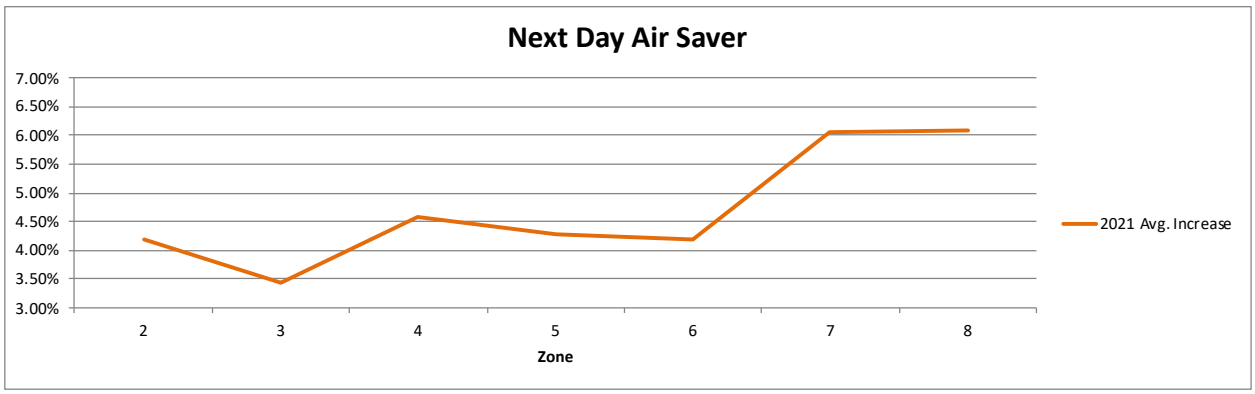


*Average increase 1lb – 50lb for zones 2-8

Next Day Air 2021 Increase

WT (Lbs)	2	3	4	5	6	7	8
1	4.80%	4.81%	5.80%	5.80%	5.81%	6.90%	6.90%
2	4.77%	4.07%	5.79%	5.81%	1.01%	6.89%	6.91%
3	2.13%	4.81%	5.80%	5.79%	5.81%	6.90%	6.90%
4	3.39%	2.19%	5.80%	5.81%	5.81%	6.90%	6.91%
5	2.01%	2.27%	5.80%	5.80%	5.20%	6.90%	6.30%
6	3.21%	4.80%	5.80%	5.80%	5.80%	6.90%	6.90%
7	3.31%	4.39%	5.80%	5.80%	5.80%	6.90%	6.90%
8	2.85%	2.02%	5.80%	3.18%	3.19%	6.91%	6.90%
9	2.01%	2.02%	3.00%	2.93%	2.94%	6.27%	4.97%
10	2.01%	2.56%	3.09%	2.11%	2.53%	5.58%	4.46%
20	2.03%	2.01%	2.90%	6.16%	4.60%	5.83%	5.56%
30	2.01%	2.01%	5.72%	5.80%	5.80%	6.90%	6.08%
40	2.01%	2.01%	5.04%	5.80%	5.76%	6.58%	6.90%
50	2.01%	2.01%	4.79%	5.80%	5.76%	6.90%	6.90%
Avg Increase	2.75%	3.00%	5.07%	5.17%	4.70%	6.66%	6.39%

Next Day Air Saver 2021 Increase

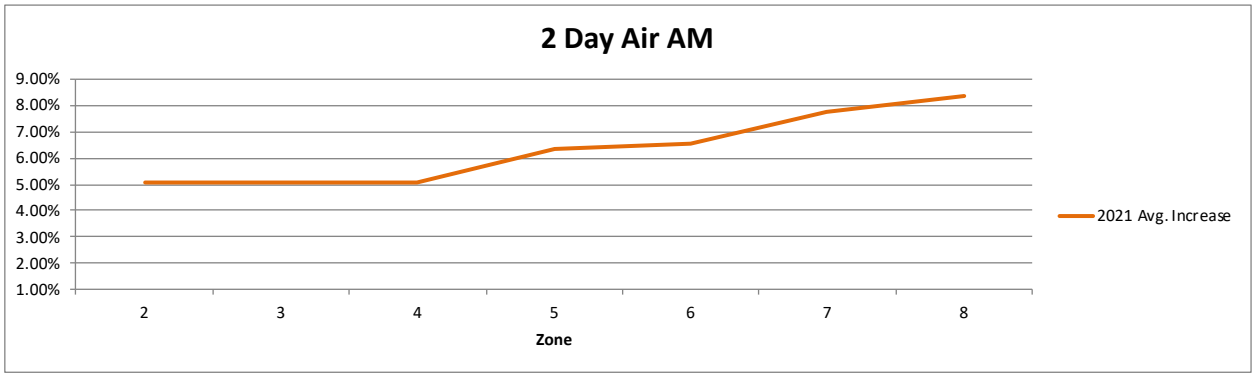


*Average increase 1lb – 50lb for zones 2-8

Next Day Air Saver 2021 Increase

WT (Lbs)	2	3	4	5	6	7	8
1	3.38%	1.02%	2.87%	2.90%	3.17%	2.89%	3.41%
2	4.37%	4.11%	4.88%	4.91%	5.15%	7.19%	7.42%
3	4.36%	1.38%	4.90%	4.89%	4.91%	6.89%	7.43%
4	4.41%	2.41%	4.90%	4.89%	5.18%	6.91%	7.42%
5	4.33%	2.82%	4.90%	4.91%	3.98%	5.96%	5.96%
6	2.87%	3.90%	4.90%	4.04%	5.16%	5.86%	6.91%
7	3.91%	3.90%	4.89%	4.89%	4.90%	7.17%	6.94%
8	4.41%	4.08%	3.97%	4.90%	5.18%	7.18%	7.42%
9	4.38%	4.10%	4.90%	4.90%	4.29%	7.18%	7.43%
10	4.43%	2.85%	3.98%	3.99%	3.99%	5.97%	5.98%
20	4.38%	4.41%	4.50%	4.65%	3.98%	5.97%	6.01%
30	4.41%	4.12%	4.90%	2.86%	2.31%	3.88%	3.03%
40	4.40%	4.41%	4.90%	3.52%	3.06%	6.34%	4.76%
50	4.41%	4.41%	4.90%	3.59%	3.49%	5.53%	5.16%
Avg Increase	4.18%	3.42%	4.59%	4.27%	4.20%	6.07%	6.09%

2 Day Air AM 2021 Increase

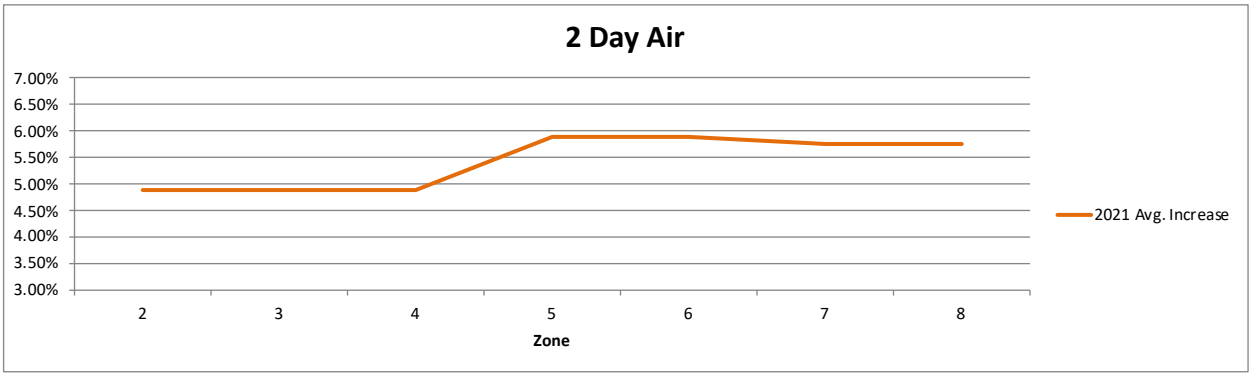


*Average increase 1lb – 50lb for zones 2-8

2 Day Air AM 2021 Increase

WT (Lbs)	2	3	4	5	6	7	8
1	4.98%	4.97%	4.96%	5.94%	5.95%	6.93%	6.91%
2	4.99%	4.96%	4.96%	5.91%	5.93%	6.92%	6.92%
3	4.96%	4.98%	4.96%	5.92%	5.92%	6.91%	8.89%
4	4.95%	4.94%	4.95%	5.93%	5.90%	8.89%	8.90%
5	4.98%	4.95%	4.92%	5.91%	5.94%	8.90%	8.91%
6	4.94%	4.97%	4.91%	5.91%	7.89%	8.79%	8.90%
7	4.94%	4.92%	4.92%	5.92%	5.92%	8.89%	8.90%
8	4.95%	4.94%	4.92%	5.91%	6.29%	8.90%	8.89%
9	4.96%	4.92%	4.94%	5.92%	7.89%	6.91%	8.90%
10	4.95%	4.93%	4.92%	5.91%	5.91%	6.91%	8.16%
20	4.93%	4.91%	4.92%	5.91%	5.91%	6.91%	6.91%
30	4.91%	4.91%	4.91%	7.90%	5.90%	7.49%	8.01%
40	4.92%	4.91%	4.90%	7.90%	7.90%	6.90%	8.90%
50	6.89%	6.90%	6.90%	7.90%	7.90%	8.36%	8.90%
Avg Increase	5.09%	5.08%	5.07%	6.34%	6.51%	7.76%	8.36%

2 Day Air 2021 Increase

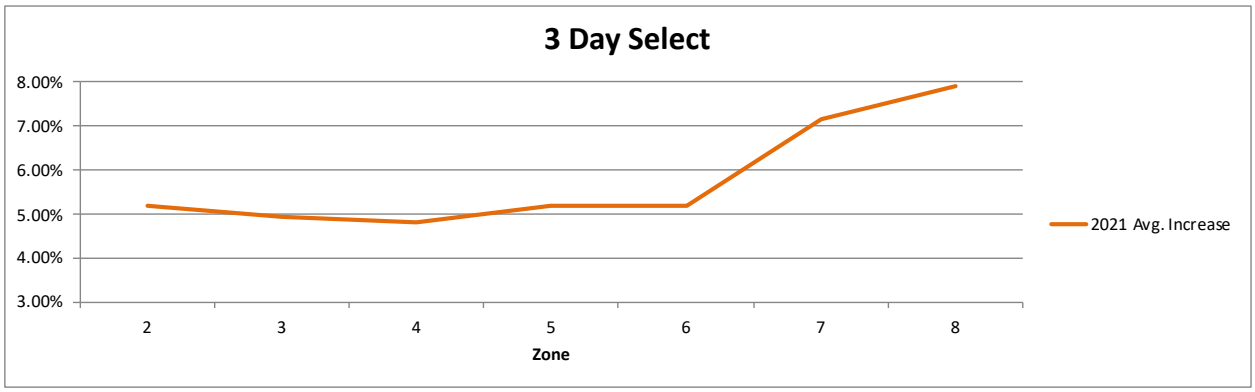


*Average increase 1lb – 50lb for zones 2-8

2 Day Air 2021 Increase

WT (Lbs)	2	3	4	5	6	7	8
1	4.87%	4.87%	4.86%	5.88%	5.89%	5.91%	5.88%
2	4.88%	4.86%	4.81%	5.88%	5.90%	5.89%	5.89%
3	4.90%	4.85%	4.81%	5.89%	5.90%	5.89%	5.88%
4	4.90%	4.87%	4.84%	5.86%	5.90%	5.90%	5.90%
5	4.90%	4.84%	4.86%	5.89%	5.90%	5.88%	5.88%
6	4.87%	4.91%	4.87%	5.89%	5.89%	5.88%	5.89%
7	4.89%	4.87%	4.89%	5.89%	5.89%	5.90%	5.88%
8	4.86%	4.89%	4.90%	5.90%	5.89%	5.89%	5.90%
9	4.86%	4.88%	4.88%	5.88%	5.89%	5.89%	5.89%
10	4.86%	4.89%	4.88%	5.89%	5.89%	5.90%	5.90%
20	4.89%	4.89%	4.90%	5.89%	5.89%	5.90%	5.89%
30	4.90%	4.90%	4.89%	5.89%	5.90%	5.90%	5.90%
40	4.90%	4.89%	4.90%	5.89%	5.90%	5.90%	5.90%
50	4.89%	4.89%	4.89%	5.90%	5.90%	3.84%	3.83%
Avg Increase	4.88%	4.88%	4.87%	5.89%	5.89%	5.75%	5.74%

3 Day Select 2021 Increase

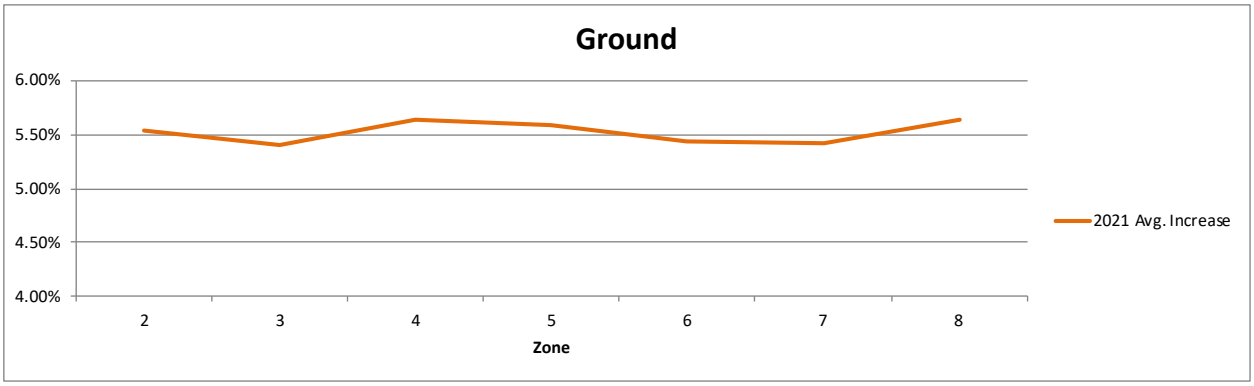


*Average increase 1lb – 50lb for zones 2-8

3 Day Select 2021 Increase

WT (Lbs)	2	3	4	5	6	7	8
1	5.83%	5.77%	5.80%	6.92%	6.91%	7.89%	7.88%
2	5.85%	5.79%	5.78%	6.90%	6.88%	7.89%	7.89%
3	5.83%	5.78%	5.75%	6.91%	6.89%	7.88%	7.90%
4	5.79%	5.83%	5.80%	6.88%	6.90%	7.90%	7.91%
5	5.84%	5.83%	5.77%	6.88%	6.90%	7.92%	7.89%
6	5.85%	5.77%	5.80%	6.90%	6.89%	7.90%	7.90%
7	5.81%	5.81%	5.81%	6.91%	6.89%	7.89%	7.91%
8	5.82%	5.79%	5.82%	6.88%	6.90%	7.90%	7.90%
9	5.65%	5.70%	5.81%	2.96%	2.95%	7.89%	7.90%
10	5.66%	5.61%	2.91%	2.92%	2.93%	7.90%	7.91%
20	5.40%	2.92%	2.91%	2.92%	2.91%	2.91%	7.89%
30	2.90%	2.91%	3.26%	2.90%	2.91%	5.45%	7.90%
40	3.08%	2.92%	2.91%	2.91%	2.90%	4.70%	7.90%
50	3.05%	2.92%	2.94%	2.91%	2.90%	7.90%	7.90%
Avg Increase	5.17%	4.95%	4.79%	5.19%	5.19%	7.14%	7.90%

Ground 2021 Increase



*Average increase 1lb – 50lb for zones 2-8

Ground 2021 Increase

Zone	2	3	4	5	6	7	8
1	6.44%	5.09%	5.99%	6.05%	6.04%	5.97%	5.97%
2	5.96%	5.97%	6.99%	7.02%	7.00%	7.00%	6.96%
3	7.03%	6.98%	6.99%	6.97%	7.03%	7.04%	7.02%
4	7.04%	6.01%	7.04%	7.01%	6.98%	7.00%	6.98%
5	5.98%	6.02%	5.99%	6.04%	6.01%	6.00%	7.01%
6	4.51%	4.53%	4.46%	4.51%	4.50%	4.47%	5.51%
7	4.46%	4.51%	4.51%	4.52%	4.48%	4.49%	4.51%
8	5.46%	5.49%	5.47%	5.51%	5.53%	5.53%	5.51%
9	5.47%	5.50%	5.48%	5.53%	5.48%	5.49%	5.52%
10	4.47%	5.53%	5.50%	5.52%	4.51%	4.48%	5.50%
20	4.77%	4.49%	4.52%	4.49%	4.53%	4.50%	4.52%
30	4.49%	4.49%	4.51%	4.50%	4.49%	4.51%	4.51%
40	5.72%	5.72%	5.72%	4.72%	4.72%	4.71%	4.71%
50	5.69%	5.24%	5.70%	5.77%	4.71%	4.71%	4.72%
Avg Increase	5.53%	5.40%	5.63%	5.58%	5.43%	5.42%	5.64%

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Worldwide Express 2021 Increase

*Average increase 1lb – 50lb for zones 2-8

Worldwide Express 2021 Increase

Zones	901	902	903	904	905	906	907	908
1	5.39%	6.91%	4.88%	5.20%	5.40%	5.00%	3.30%	2.90%
2	4.42%	8.01%	4.88%	4.80%	5.46%	5.16%	4.00%	4.00%
3	4.41%	4.15%	4.88%	4.80%	4.90%	2.90%	2.90%	4.00%
4	4.40%	2.91%	4.38%	4.90%	4.90%	4.90%	2.90%	3.96%
5	4.40%	2.91%	4.38%	4.90%	4.90%	2.90%	2.90%	4.21%
6	4.80%	2.90%	4.79%	4.90%	4.90%	2.89%	2.90%	6.86%
7	4.80%	2.90%	5.28%	4.90%	4.90%	2.88%	2.90%	6.18%
8	4.80%	2.90%	5.04%	4.90%	4.39%	2.84%	2.90%	3.33%
9	4.77%	2.90%	6.85%	4.97%	4.39%	2.83%	2.19%	6.18%
10	3.67%	4.06%	7.47%	7.79%	4.59%	2.90%	2.19%	8.00%
20	4.50%	5.60%	6.28%	6.59%	2.16%	1.00%	6.88%	1.02%
30	6.17%	5.09%	6.27%	6.70%	6.80%	1.00%	6.90%	6.90%
40	6.80%	5.60%	6.27%	6.70%	1.00%	2.68%	6.89%	6.90%
50	6.80%	6.90%	6.27%	6.70%	1.15%	0.80%	6.90%	6.90%
Avg Increase	5.01%	4.55%	5.57%	5.62%	4.28%	2.91%	4.05%	5.10%

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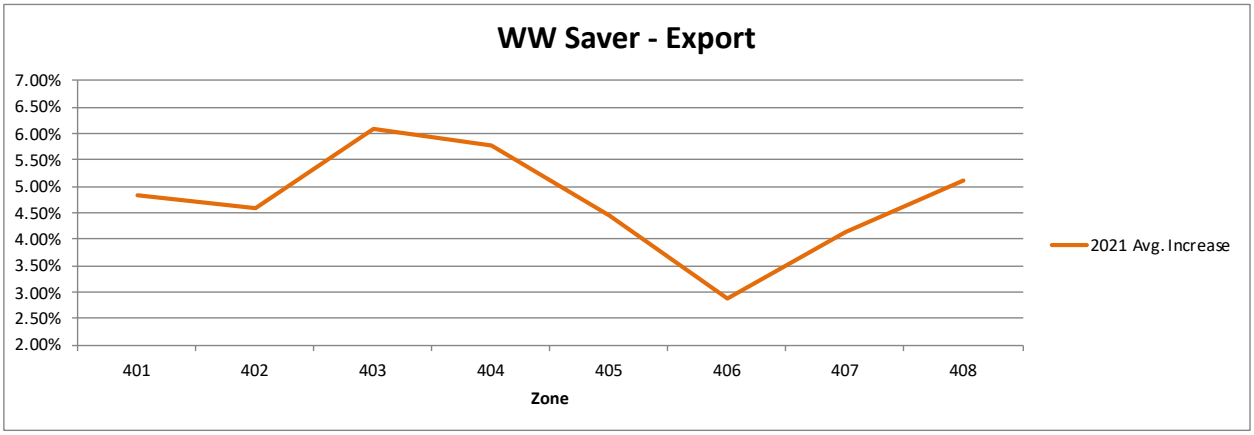
Worldwide Saver 2021 Increase

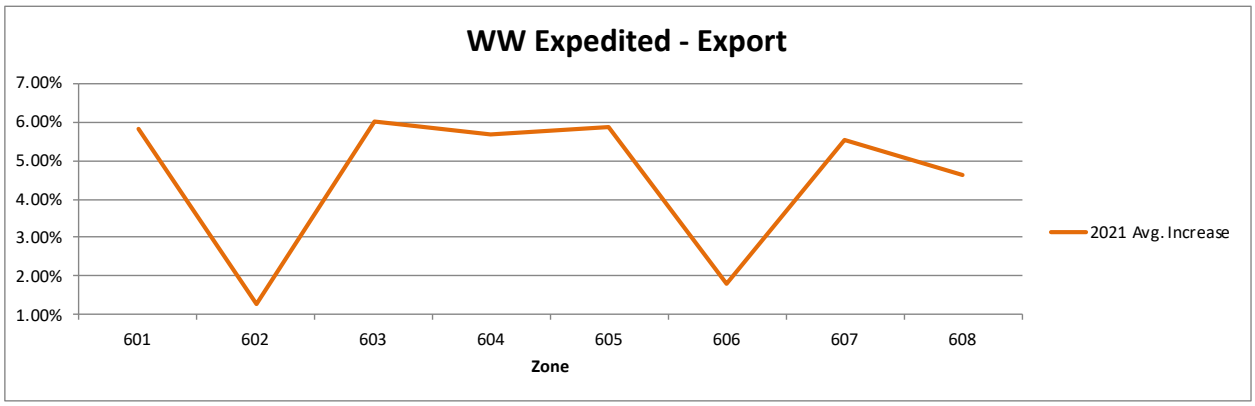


*Average increase 1lb – 50lb for zones 2-8

Worldwide Saver 2021 Increase

Zones	401	402	403	404	405	406	407	408
1	5.70%	6.91%	5.40%	5.40%	5.41%	5.00%	3.30%	2.90%
2	4.24%	8.00%	5.40%	5.00%	5.97%	5.16%	4.00%	4.00%
3	4.00%	4.15%	5.40%	5.00%	5.00%	2.90%	2.90%	4.00%
4	4.01%	2.91%	4.90%	5.00%	5.00%	4.07%	2.90%	3.96%
5	4.00%	2.90%	4.90%	5.00%	5.00%	2.90%	2.90%	4.21%
6	4.00%	2.90%	5.30%	5.00%	5.00%	2.90%	2.90%	6.87%
7	4.00%	2.90%	5.80%	5.00%	5.00%	2.90%	2.90%	6.18%
8	4.00%	2.90%	5.55%	5.00%	5.00%	2.90%	2.90%	3.33%
9	4.00%	2.90%	7.38%	5.18%	5.00%	2.90%	2.90%	6.18%
10	4.00%	4.06%	8.00%	8.00%	5.00%	2.90%	2.90%	8.00%
20	5.33%	5.60%	6.80%	6.80%	2.16%	1.00%	6.88%	1.02%
30	6.80%	5.60%	6.80%	6.80%	6.80%	1.00%	6.90%	6.90%
40	6.80%	5.60%	6.80%	6.80%	1.00%	2.68%	6.89%	6.90%
50	6.80%	6.90%	6.80%	6.80%	1.15%	1.30%	6.90%	6.90%
Avg Increase	4.84%	4.59%	6.09%	5.77%	4.47%	2.89%	4.15%	5.10%

Worldwide Expedited 2021 Increase

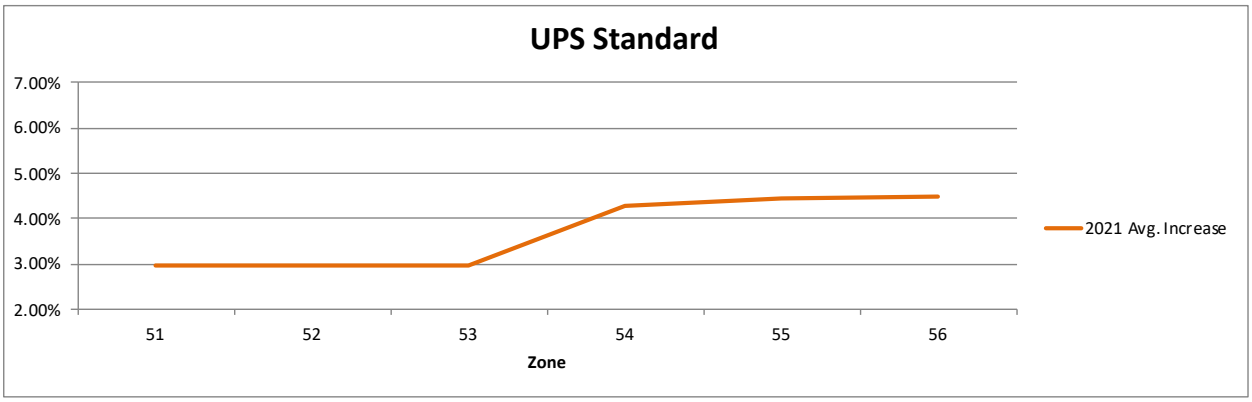


*Average increase 1lb – 50lb for zones 2-8

Worldwide Expedited 2021 Increase

Zones	601	602	603	604	605	606	607	608
1	5.50%	2.91%	5.60%	5.60%	5.11%	4.70%	4.50%	3.90%
2	5.50%	2.91%	5.60%	5.60%	4.59%	3.89%	5.60%	1.00%
3	5.99%	1.01%	5.90%	5.60%	5.60%	2.50%	6.00%	1.01%
4	6.00%	1.00%	5.91%	5.60%	6.20%	2.50%	6.00%	7.00%
5	6.00%	1.01%	5.90%	5.60%	6.30%	2.50%	5.00%	5.80%
6	6.00%	1.00%	5.90%	5.60%	6.30%	1.00%	6.00%	6.80%
7	6.00%	1.01%	6.30%	5.60%	6.30%	1.00%	6.00%	6.80%
8	5.97%	1.01%	6.30%	5.60%	6.30%	1.00%	6.00%	6.80%
9	6.00%	1.00%	6.30%	4.00%	5.30%	1.00%	3.50%	6.80%
10	5.05%	1.00%	5.30%	4.00%	4.41%	1.00%	2.50%	4.80%
20	6.30%	1.00%	6.80%	6.60%	5.10%	1.00%	6.60%	6.31%
30	6.30%	1.00%	6.80%	6.50%	6.80%	1.00%	6.90%	1.01%
40	4.87%	1.00%	4.80%	6.90%	6.80%	1.00%	5.87%	1.00%
50	5.80%	1.00%	6.80%	6.90%	6.80%	1.00%	6.90%	5.90%
Avg Increase	5.81%	1.28%	6.01%	5.69%	5.85%	1.79%	5.53%	4.64%

UPS Standard 2021 Increase

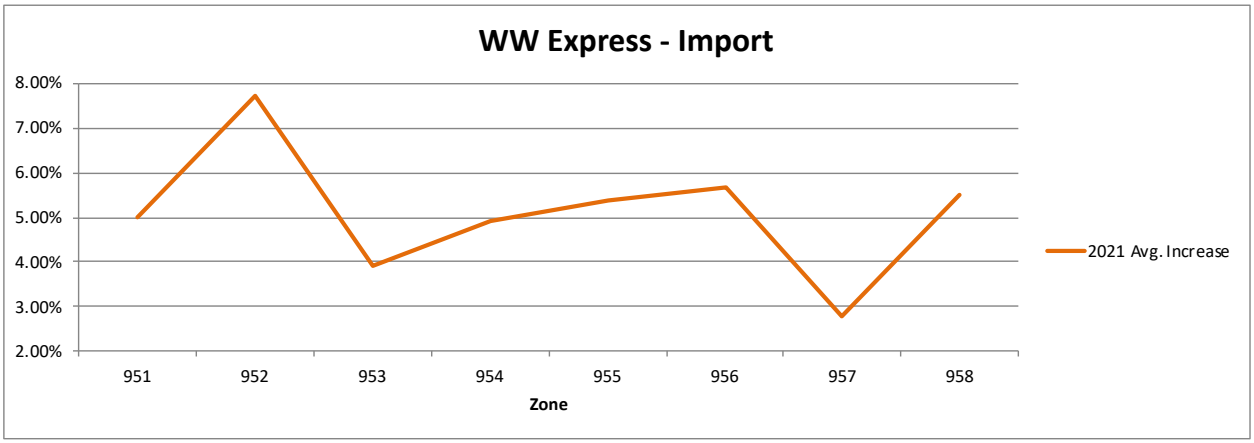


*Average increase 1lb – 50lb for zones 2-8

UPS Standard 2021 Increase

Zones	51	52	53	54	55	56
1	2.96%	2.97%	2.98%	4.43%	4.61%	4.61%
2	2.95%	2.96%	2.96%	4.40%	4.63%	4.63%
3	2.98%	2.95%	2.98%	4.41%	4.62%	4.62%
4	2.98%	2.98%	2.98%	4.41%	4.61%	4.60%
5	2.95%	2.95%	2.95%	4.32%	4.42%	4.61%
6	2.98%	2.98%	2.98%	4.41%	4.62%	4.61%
7	2.98%	2.98%	2.97%	4.41%	4.61%	4.61%
8	2.98%	2.97%	2.96%	4.42%	4.61%	4.62%
9	2.98%	2.97%	2.97%	4.40%	4.62%	4.60%
10	2.97%	2.97%	2.96%	4.42%	4.62%	4.61%
20	2.96%	2.96%	2.95%	3.91%	4.10%	4.11%
30	2.95%	2.95%	2.97%	3.90%	4.11%	4.11%
40	2.96%	2.96%	2.96%	3.90%	4.11%	4.11%
50	2.96%	2.95%	2.96%	3.91%	4.10%	4.11%
Avg Increase	2.97%	2.97%	2.97%	4.26%	4.46%	4.47%

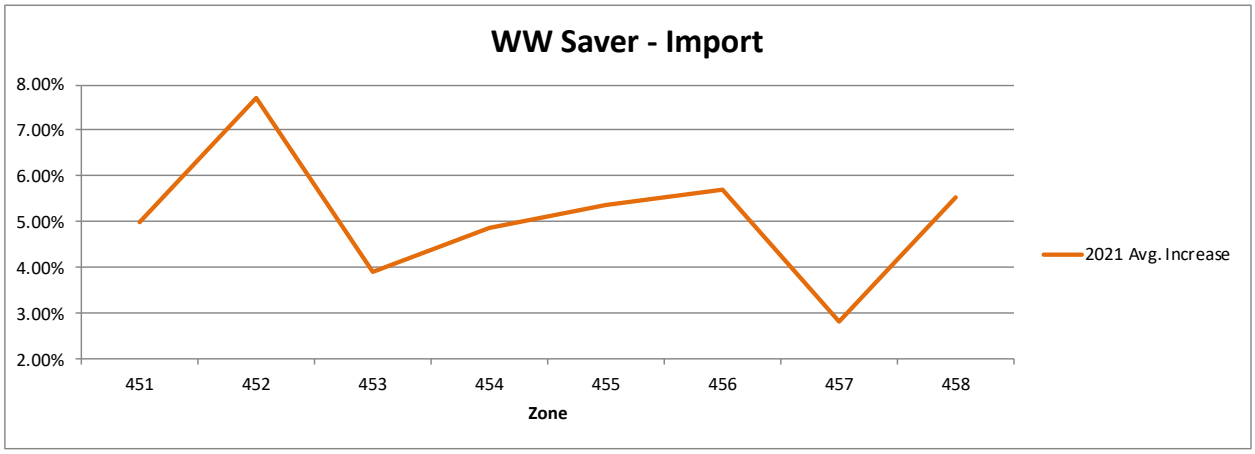
WW Express Import 2021 Increase



WW Express Import 2021 Increase

Zones	951	952	953	954	955	956	957	958
1	5.40%	7.90%	3.90%	5.25%	5.90%	5.90%	2.90%	3.90%
2	5.40%	7.90%	3.90%	5.25%	3.10%	5.90%	1.50%	2.50%
3	5.40%	7.90%	3.90%	5.25%	5.90%	5.90%	2.90%	5.90%
4	5.40%	7.90%	3.90%	5.25%	5.90%	5.90%	2.90%	5.90%
5	5.40%	7.90%	3.90%	5.25%	5.90%	5.90%	2.90%	5.90%
6	5.40%	7.90%	3.90%	5.25%	5.90%	5.90%	2.90%	5.90%
7	5.40%	7.90%	3.90%	5.25%	5.90%	5.90%	2.90%	5.90%
8	5.40%	7.90%	3.90%	5.25%	5.90%	5.90%	2.90%	5.90%
9	4.90%	7.90%	3.90%	5.25%	5.90%	5.90%	2.90%	5.90%
10	2.69%	7.90%	3.90%	0.77%	1.41%	2.94%	2.90%	5.90%
20	5.40%	7.90%	3.90%	3.32%	5.90%	5.90%	2.90%	5.90%
30	5.40%	7.90%	3.90%	5.90%	5.90%	5.90%	2.90%	5.90%
40	5.40%	6.00%	3.90%	5.90%	5.90%	5.90%	2.90%	5.90%
50	3.12%	7.00%	3.90%	5.90%	5.90%	5.90%	2.90%	5.90%
Avg Increase	5.01%	7.70%	3.90%	4.93%	5.38%	5.69%	2.80%	5.51%

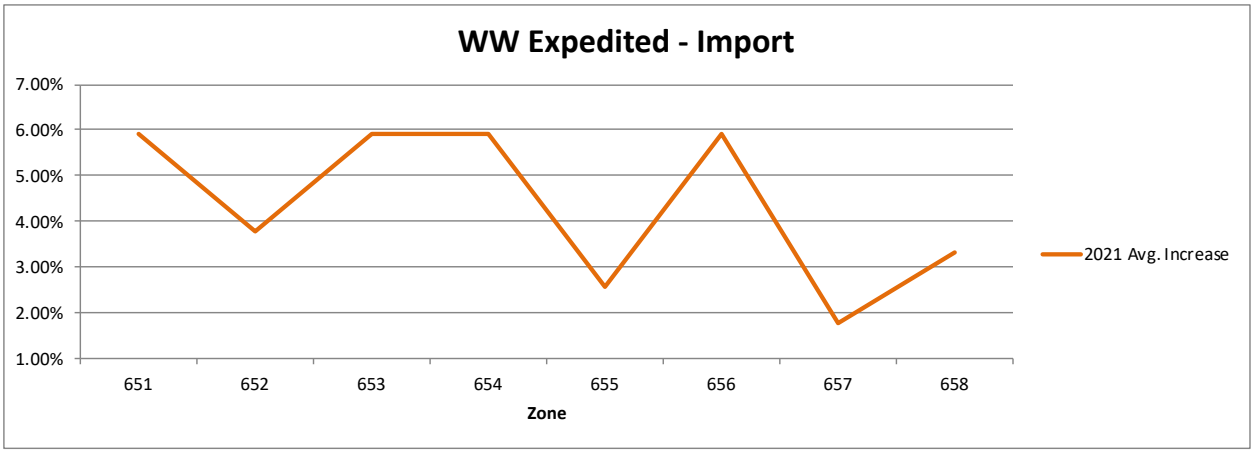
WW Saver Import 2021 Increase



WW Saver Import 2021 Increase

Zones	451	452	453	454	455	456	457	458
1	5.40%	7.90%	3.90%	5.15%	5.90%	5.90%	2.90%	3.90%
2	5.40%	7.90%	3.90%	5.15%	3.10%	5.90%	1.50%	2.50%
3	5.40%	7.90%	3.90%	5.15%	5.90%	5.90%	2.90%	5.90%
4	5.40%	7.90%	3.90%	5.15%	5.90%	5.90%	2.90%	5.90%
5	5.40%	7.90%	3.90%	5.15%	5.90%	5.90%	2.90%	5.90%
6	5.40%	7.90%	3.90%	5.15%	5.90%	5.90%	2.90%	5.90%
7	5.40%	7.90%	3.90%	5.15%	5.90%	5.90%	2.90%	5.90%
8	5.40%	7.90%	3.90%	5.15%	5.90%	5.90%	2.90%	5.90%
9	4.90%	7.90%	3.90%	5.15%	5.90%	5.90%	2.90%	5.90%
10	2.69%	7.90%	3.90%	0.67%	1.41%	2.94%	2.90%	5.90%
20	5.40%	7.90%	3.90%	3.22%	5.90%	5.90%	2.90%	5.90%
30	5.40%	7.90%	3.90%	5.90%	5.90%	5.90%	2.90%	5.90%
40	5.40%	6.00%	3.90%	5.90%	5.90%	5.90%	2.90%	5.90%
50	3.12%	7.00%	3.90%	5.90%	5.90%	5.90%	2.90%	5.90%
Avg Increase	5.01%	7.70%	3.90%	4.85%	5.38%	5.69%	2.80%	5.51%

WW Expedited Import 2021 Increase



WW Expedited Import 2021 Increase

Zones	651	652	653	654	655	656	657	658
1	5.90%	3.90%	5.90%	5.90%	1.51%	5.91%	1.40%	6.88%
2	5.90%	3.90%	5.90%	5.89%	1.90%	5.91%	1.40%	2.50%
3	5.90%	3.90%	5.90%	5.90%	1.90%	5.90%	1.90%	1.00%
4	5.90%	3.90%	5.90%	5.90%	2.90%	5.90%	1.90%	1.00%
5	5.90%	3.90%	5.90%	5.90%	1.90%	5.90%	1.90%	5.90%
6	5.90%	3.90%	5.90%	5.90%	2.90%	5.90%	1.90%	5.90%
7	5.90%	3.90%	5.90%	5.90%	2.90%	5.90%	1.90%	1.00%
8	5.90%	3.90%	5.90%	5.90%	2.90%	5.90%	1.90%	1.00%
9	5.90%	3.90%	5.90%	5.90%	2.90%	5.90%	1.90%	5.90%
10	5.90%	3.90%	5.90%	5.90%	2.90%	5.90%	1.90%	7.73%
20	5.90%	3.90%	5.90%	5.90%	2.90%	5.90%	1.90%	4.41%
30	5.90%	3.90%	5.90%	5.90%	2.90%	5.90%	1.01%	1.00%
40	5.90%	3.90%	5.90%	5.90%	2.90%	5.90%	1.90%	1.00%
50	5.90%	1.96%	5.90%	5.90%	2.90%	5.90%	1.90%	1.00%
Avg Increase	5.90%	3.76%	5.90%	5.90%	2.59%	5.90%	1.76%	3.30%

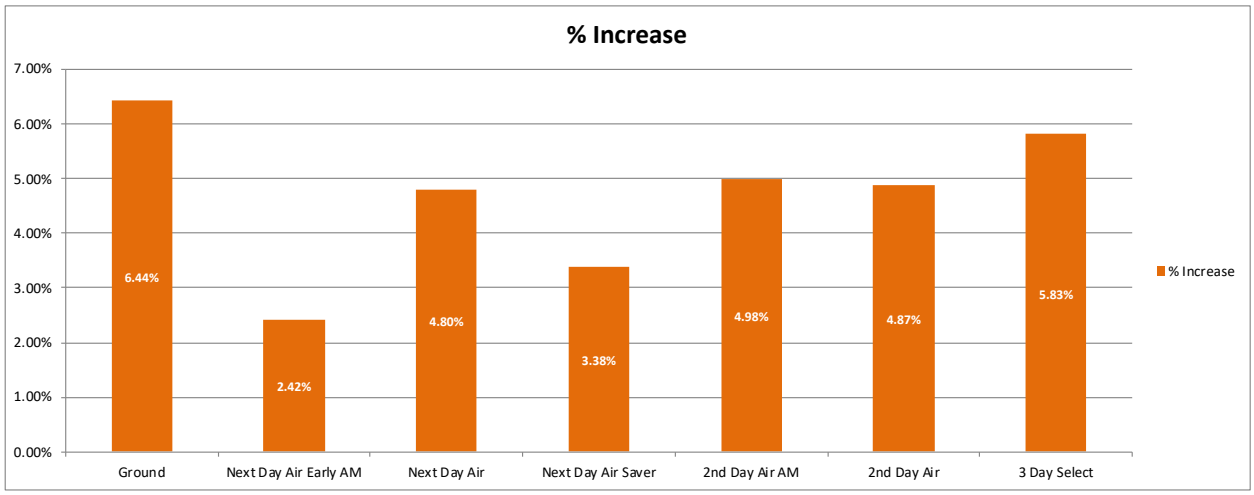
Average UPS Ground Rate Increase – Historical

Ground Service								
Average Rate Increase								
Wt.	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
1-5 lbs.	7.5%	6.3%	5.8%	5.5%	4.5%	4.2%	4.24%	6.53%
6-10 lbs.	7.0%	5.9%	5.5%	5.4%	5.4%	5.0%	5.05%	5.04%
11-20 lbs.	6.2%	5.7%	5.2%	5.3%	5.4%	5.0%	5.07%	4.83%
21-30 lbs.	5.0%	5.4%	4.7%	5.6%	5.2%	5.5%	4.99%	4.71%
31-70 lbs.	4.8%	3.8%	4.4%	5.5%	4.2%	5.6%	5.37%	5.08%
71-150 lbs.	4.1%	2.7%	3.2%	4.4%	4.2%	4.9%	4.70%	4.71%

Average UPS Air Services Rate Increase – Historical

Air Services								
Average Rate Increase								
Service	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Next Day Air	6.0%	6.0%	5.9%	4.8%	4.6%	6.16%	5.52%	4.71%
Next Day Air Saver	6.0%	6.2%	6.4%	4.7%	5.1%	5.86%	4.92%	4.24%
2nd Day Air AM	7.1%	7.2%	8.5%	5.3%	5.9%	7.49%	4.64%	7.09%
2nd Day Air	6.3%	6.9%	8.0%	5.9%	5.3%	7.24%	6.09%	5.47%
3 Day Select	6.4%	7.1%	6.8%	5.8%	5.8%	5.10%	5.90%	5.40%

2021 UPS Minimum Charge Rate Increase



UPS Historical Minimum Charge Rate Increases

Service	Min Net 2014	Min Net 2015	Min Net 2016	Min Net 2017	Min Net 2018	Min Net 2019	Min Net 2020	Min Net 2021	$ Increase	% Increase
Ground	$6.24	$6.61	$6.94	$7.32	$7.57	7.85	8.23	$8.76	$0.53	6.44%
Next Day Air Early AM	$54.15	$55.15	$56.09	$57.45	$57.97	58.97	60.62	$62.09	$1.47	2.42%
Next Day Air	$24.15	$25.15	$26.09	$27.45	$27.97	29.47	30.62	$32.09	$1.47	4.80%
Next Day Air Saver	$20.65	$22.25	$23.83	$24.95	$25.91	27.32	28.39	$29.35	$0.96	3.38%
2nd Day Air AM	$15.65	$16.85	$18.04	$19.08	$19.32	19.91	20.68	$21.71	$1.03	4.98%
2nd Day Air	$13.60	$14.65	$15.69	$16.66	$17.69	18.4	19.3	$20.24	$0.94	4.87%
3 Day Select	$7.95	$8.60	$9.25	$9.90	$10.63	11.23	11.67	$12.35	$0.68	5.83%

UPS Accessorial Changes – Overview

Revised Rates for Value-Added Services and Other Charges

The following changes will be made to value-added services and other charges listed below effective December 27, 2020. See the applicable 2021 UPS Rate and Service Guide, also available on December 27, 2020, for further details.

Domestic Charges	Effective through 12/26/2020	Effective 12/27/2020
Additional Handling[1]		
Weight	$24.00	$25.50[1]
Dimensions (Length, Width, Length + Girth)	$15.00	$16.00[1]
Packaging	$14.25	$15.25[1]
Address Correction		
Per Package	$17.00	$18.00
Maximum per GFP Shipment	$119.00	$126.00
Chargeback for Consignee Billing Shipments	$17.00	$18.00
Collect on Delivery (C.O.D.)	$15.50	$16.50
Dangerous Goods (Hazardous Materials)		
Air Accessible	$105.00	$115.00
Air Inaccessible	$51.50	$54.50
Ground	$37.00	$39.00
Declared Value for Carriage		
Value from $100.01 to $300.00	$3.15	$3.45
Value over $300.00	$1.05 per $100.00 (or portion of $100.00)	$1.15 per $100.00 (or portion of $100.00)
Delivery Area Surcharge		
Air Commercial	$3.10	$3.25
Air Commercial Extended	$3.60	$3.85
Ground Commercial	$2.95	$3.10
Ground Commercial Extended	$3.45	$3.70
Ground Residential	$4.00	$4.30
Ground Residential Extended	$5.40	$5.90
Air Residential	$4.40	$4.70
Air Residential Extended	$5.40	$5.90
Delivery Area Surcharge (Hundredweight)		
Air Commercial	$15.50 per shipment	$16.25 per shipment
Air Commercial Extended	$18.00 per shipment	$19.25 per shipment
Ground Commercial	$14.75 per shipment	$15.50 per shipment
Ground Commercial Extended	$17.25 per shipment	$18.50 per shipment
Air Residential	$22.00 per shipment	$23.50 per shipment
Air Residential Extended	$27.00 per shipment	$29.50 per shipment
Ground Residential	$20.00 per shipment	$21.50 per shipment
Ground Residential Extended	$27.00 per shipment	$29.50 per shipment

1 Effective beginning April 11, 2021, Additional Handling and Large Package Surcharge rates for non-Hundredweight Service packages will differ by zone. Effective July 11, 2021, Additional Handling and Large Package Surcharge rates for Hundredweight Service packages will differ by zone. Please refer to the applicable *UPS Rate and Service Guide* on UPS.com for additional details.

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Revised Rates for Value-Added Services and Other Charges

Domestic Charges	Effective through 12/26/2020	Effective 12/27/2020
Delivery Confirmation		
Signature Required	$5.25	$5.55
Adult Signature Required	$6.35	$6.70
Delivery Intercept		
Phone Request	$23.90	$24.90
Web Request	$17.00	$17.60
Dry Ice	$5.85	$6.15
Large Package Surcharge[1]		
Commercial (Domestic)	$100.00	$105.00[1]
Residential (Domestic)	$120.00	$130.00[1]
Missing/Invalid Account Number or Refusal Fee	$17.00	$18.00
Over Maximum Limits	$875.00	$920.00
Rebill Fee	$17.00 per request	$18.00 per request
Remote Area Surcharge		
Alaska	$30.00	$32.50
Hawaii	$10.00	$10.65
Residential Surcharge		
Ground	$4.10	$4.45
Air	$4.70	$5.00
Hundredweight (and GFP)	$41.85 per shipment	$43.20 per shipment
Ship to a UPS Access Point Location	$0.00	$2.99
Third Party Billing Service	4.5%	5.0%
UPS On-Call Pickup Area Surcharge		
Residential	$4.00	$4.30
Extended Residential	$5.40	$5.90
Scheduled Pickup Weekly Service Charges		
Daily Pickup		
($0.00-$74.99 Weekly Billing Total)	$31.00	$33.00
($75.00+ Weekly Billing Total)	$15.50	$16.50
Daily On-Route Pickup		
($0.00-$74.99 Weekly Billing Total)	$29.00	$31.00
($75.00+ Weekly Billing Total)	$14.50	$15.50

1 Effective beginning April 11, 2021, Additional Handling and Large Package Surcharge rates for non-Hundredweight Service packages will differ by zone. Effective July 11, 2021, Additional Handling and Large Package Surcharge rates for Hundredweight Service packages will differ by zone. Please refer to the applicable UPS Rate and Service Guide on UPS.com for additional details.

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Revised Rates for Value-Added Services and Other Charges

Domestic Charges	Effective through 12/26/2020	Effective 12/27/2020
Scheduled Pickup Weekly Service Charges (continued)		
Day-Specific Pickup		
4 Days ($0.00-$74.99 Weekly Billing Total)	$29.00	$31.00
4 Days ($75.00+ Weekly Billing Total)	$14.50	$15.50
3 Days ($0.00-$74.99 Weekly Billing Total)	$22.30	$24.30
3 Days ($75.00+ Weekly Billing Total)	$14.45	$15.45
1 or 2 Days	$14.45	$15.45
UPS Smart Pickup	$14.45	$15.45

International	Effective through 12/26/2020	Effective 12/27/2020
Additional Handling (All Types)	$15.00	$16.00
Delivery Area Surcharge (Import services)	$2.40	$3.25
Delivery Area Surcharge Extended (Import services)	$2.40	$3.85
Extended Area Surcharge	Greater of $40.00 per shipment or $0.40 per pound	Greater of $42.00 per shipment or $0.42 per pound
Remote Area Surcharge	Greater of $40.00 per shipment or $0.40 per pound	Greater of $42.00 per shipment or $0.42 per pound
International Dangerous Goods		
Standard to/from Canada	Greater of $44.00 per shipment or $4.99 per package	Greater of $46.40 per shipment or $5.27 per package
Small Package Accessible	Greater of $162.50 per shipment or $19.51 per package	Greater of $171.00 per shipment or $20.53 per package
Small Package Inaccessabile	Greater of $81.00 per shipment or $9.72 per package	Greater of $85.50 per shipment or $10.26 per package
Worldwide Express Freight Accessible	Greater of $162.50 per shipment or $0.88 per pound	Greater of $171.00 per shipment or $0.93 per pound
Worldwide Express Freight Inaccessible	Greater of $81.00 per shipment or $0.44 per pound	Greater of $85.50 per shipment or $0.47 per pound
Large Package Surcharge	$100.00	$105.00
Residential Surcharge		
Standard Services	$4.10	$4.80
International Air and 3 Day Select	$4.70	$5.00
Worldwide Express Freight Services	$140.00	$160.00
Oversize Pallet Handling Surcharge	$875.00 per pallet	$920.00 per pallet

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Franklin Parcel Technology

Leveraging Technology to Optimize Parcel Shipping Costs

Parcel shipping and carrier agreements have become very complex. With pages and pages of varying rates, discounts, surcharges and multiple zones, understanding these agreements can be nearly impossible for most shippers. Even the most sophisticated corporate shippers require specialized software to analyze these agreements and make sense of them. This is where Franklin Parcel can help. Franklin Parcel is a leading provider of IT solutions for the freight management and transportation industry. Their Transportation Management Software or TMS platform has been the backbone of some of the country's largest 3PLs for many years. Now, this innovative technology is being made available to individual private companies to assist in improving operational efficiencies. Imagine having on-demand technology that can definitively illustrate the potential impacts to changes in your UPS or FedEx carrier pricing agreements. Data driven technology that you can leverage, to level the playing field for effective carrier negotiations that produces results!

We call it "RAMS"

RAMS (Rating Agreement Management System) is a proprietary technology that provides on-demand parcel rate comparisons based on your actual shipment history. It allows re-rating across carrier agreements, pricing proposals, and year to year carrier base rate changes. RAMS eliminates the guess work and allows informed decision making. This technology was only available to the largest corporate entities, but it is now available to shippers of all sizes.

How does RAMS benefit you?

During a bid or agreement restructuring, your newly proposed carrier agreement data is uploaded to the RAMS system, thereby determining how the proposed changes will impact your parcel spend. The RAMS system provides the ability to re-rate every individual historical shipment during a given time frame. Therefore, giving complete and accurate visibility of the impact of proposed service options, assessorial fees, fuel surcharges, and even DIM rated shipments. Unlike the carriers or any of FRANKLIN PARCEL's competitors, they do not use averages to determine your projected bottom-line results, rather, they use actual shipment data detailing costs to the penny.

This sophisticated technology benefits shippers by providing actionable intelligence. For example, prior to signing any carrier agreement, the client knows exactly what the impact of the proposed pricing changes will be, and how it will affect their bottom line. Once the new agreement is published, FRANKLIN PARCEL can then provide a weekly, monthly or quarterly savings report. This report illustrates savings achieved by service levels and surcharges, throughout the lifetime of the agreement.

Additionally, the RAMS system provides an annual General Rate Increase (GRI) Impact Analysis. Each year, the carriers announce changes to their base rates, minimum charges and surcharges or assessorial fees. Carriers typically state this general rate increase as a flat percentage; however, this is really an "average" of all increases across all weights and services. Depending on your company's unique shipping profile, your true increase could be significantly higher than that "average". Understanding exactly how a carrier rate increase effects your business is powerful information. Having on-demand access to our proprietary technology is exactly the LEVERAGE your business needs to effectively navigate carrier negotiations and optimize your rates.

Summary

The overall analysis of the 2021 GRI increase concludes that all services will be impacted. Your specific shipping profile will determine the true impact of these increases to your company.

To truly understand what impact this has on your business, Franklin Parcel can provide you with a thorough and detailed analysis.

Our unique industry **Knowledge,** combined with our superior web-based **Technology** will provide you with the **Leverage** needed to optimize your carrier agreements.

For a no-obligation consultation and business review, please email us at ben@franklinparcel.com.