

# UPS Announces Dimensional Weight Changes

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*New Pricing Addresses Industry Trend, Promotes Packaging Efficiency and Environmental Responsibility*

UPS® (NYSE:UPS) today announced that, beginning December 29, 2014, in the United States, dimensional weight will be utilized to calculate the billable weight of a shipment on all UPS® Ground services and UPS® Standard to Canada packages. UPS already applies this method for UPS air services (domestic and international), UPS Standard™ to Mexico ground services and for UPS® Ground packages and UPS® Standard to Canada packages measuring 3 cubic feet in size or larger.

"UPS has been researching the potential expansion of dimensional-weight pricing for a number of years because it enables us to more appropriately align rates with costs which are influenced by both the size and weight of packages," said Alan Gershenhorn, UPS executive vice president and chief commercial officer.

Recent e-commerce shipping trends have resulted in a decrease of package density. For example, the package weight compared to the physical exterior dimension is declining. This trend causes cargo space to be less efficiently utilized, resulting in an increased cost per package.

The company believes that as a result of the dimensional weight pricing method, more shippers will seek to optimize their packaging practices. These efforts will reduce excess packaging materials and overall package sizes, leading to related reductions in fuel use, vehicle emissions and transportation costs.

As an industry leader in sustainable transportation practices, UPS provides solutions to assist customers with more efficient packaging options. The [UPS Package Design and Test Lab](#) helps customers optimize the size of packaging to minimize dimensional weight, ensuring packages are protected while in transit.

In addition, UPS Freight recently began offering an optional, simplified density-based pricing program to a segment of its customer base. Traditionally, the less-than-truckload (LTL) industry has utilized the National Motor Freight Classification (NMFC) system, a commodity-based standard that can be complex for both customers and carriers. The UPS Freight Density-Based Rating LTL pricing solution is based solely on the weight and cubic volume of a shipment rather than the NMFC system. This program benefits customers that construct shipments in the most efficient manner and reduces the resources required to transport their goods.

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Editor's Note:

Dimensional weight pricing is a common method to determine prices in the transportation industry. It takes into account exterior package size, which is the amount of space a package occupies when in the cargo area of the transport vehicle, in relation to its actual weight to determine the appropriate price. The dimensional weight calculation will apply if it is greater than the actual weight.