



March 13, 2020

**Re: REVISED International Air Freight Capacity Surcharge (CS)**

Dear Valued Customer,

Thank you for choosing UPS as your trusted logistics provider. Your business is very important to us, and we remain focused on offering the highest quality solutions to help you achieve your business objectives.

On February 06, 2020, we announced that due to the available capacity for international airfreight shipments into and out of China reaching a critically limited level, any bookings made on or after February 7, 2020, that are time sensitive should be arranged with the origin operation, to confirm shipment-specific rate levels that will support the movement of those goods. At that time, we noted that we would honor previously agreed-upon rates for shipments booked prior to February 6, 2020, as lift became available.

The growing impact of the COVID-19 pandemic and restrictions imposed by authorities to contain the spread of the virus have resulted in extremely limited market capacity out of China and Hong Kong. As a result, a capacity surcharge for lanes originating from China and Hong Kong, destined to the US, Canada, and Latin America will be assessed effective Monday, March 16, 2020, according to the schedule below.

**Capacity Surcharge Schedule: Effective March 16, 2020 for all IAF Services**

Origins	Surcharge amount (per kilo)† All Services			Effective Date
	Destinations			
	US	Canada	Latin America	
China North*	\$3.50	\$3.50	\$3.50	March 16, 2020
China East**	\$3.50	\$3.50	\$3.50	March 16, 2020
China South/Hong Kong***	\$2.50	\$2.50	\$2.50	March 16, 2020

\* China North: BJS, DLC, TAO, SHE, CGO, TSN, XIA

\*\* China East: CTU, CKG, HGH, KUB, NKG, NGB, SHA, SZV, WUX

\*\*\* China South/Hong Kong: XMN, FOC, CAN, SZX

**Example Shipment – Nanchang CN to Minneapolis MN US**

- Routed from Nanchang CN to Shanghai CN to Minneapolis
- Shanghai is in “China East” and Minneapolis is in “US”
- Charge amount would be \$3.50 per kg

The capacity surcharge lanes and amounts are subject to change, based on current market conditions. To view the current capacity surcharge structure, please visit our Surcharges homepage, found at <https://ups-scs.com/transportation/surcharges.html>

The above surcharges will be assessed on UPS® Air Freight Premium Direct, UPS Air Freight Direct®, UPS Air Freight Consolidated®, and UPS Trade Direct Air® shipments and will be reflected on your invoice.

Because industry conditions are dynamic, the surcharge is subject to decrease, increase or termination. We will continue to work closely with our air carriers in an effort to mitigate the surcharge to our customers.

We appreciate your business and will continue to provide you with the highest level of service and quality that you have come to expect from UPS. If you have any questions, please contact your UPS Account Manager.

Sincerely,

UPS Global Freight Forwarding

† Surcharge reflected above is in USD per kilogram of chargeable weight and reflects amount of surcharge and not the entire rate. Other currencies will fluctuate pursuant to prevailing currency exchange rates and are subject to fees. For details see UPS Air Freight Terms and Conditions of Contract ([http://www.ups-scs.com/tools/terms/AirFreight\\_TandC.pdf](http://www.ups-scs.com/tools/terms/AirFreight_TandC.pdf))



## **COVID-19 Impact to Europe Origin and Destination Air Freight Shipments to and from the United States**

Dear Valued Customer,

We would like to offer you our latest update on potential delays attributable to the COVID-19 pandemic and in response to President Donald Trump's announcement on Wednesday evening that passenger travel between Europe and the United States will be restricted notwithstanding a traveler pre-clearance and self-quarantine – UPS GFF anticipates significant disruption to air cargo capacity in the coming days and weeks.

The available capacity for international airfreight shipments into and out of Europe has already reached a critically limited level. While the circumstances are outside of our control, our global operations teams are undertaking all reasonable measures to minimize the impact to our customers.

Notwithstanding these measures and efforts, customers should expect an impact as well as service disruptions. As the situation continues to evolve, we are committing to honor previously agreed rates for shipments booked prior to March 13, 2020, as lift becomes available. Bookings made on or after March 13, 2020, that are time sensitive should be arranged with the origin operation, to confirm shipment-specific rate levels that will support the movement of those goods.

### **What This Means to You**

- Capacity usually available to support your shipments is being reduced quickly
- Transit times and rates will be impacted
- Receipt or delivery of goods could be delayed

### **What UPS Is Doing to Mitigate**

Our global operations teams are undertaking all reasonable measures to minimize impact to our customers. UPS is committing to honor previously agreed rates for shipments booked prior to March 13, 2020, as lift becomes available.

### **What You Can Do to Mitigate**

- Communicate frequently with consignees or shippers in Europe to determine which facilities will be open and capable of accepting or tendering shipments
- Source urgent parts/ supplies from countries not affected by travel restrictions

As the situation is fluid please contact your UPS sales professional for the most up to date information. You may also check the status of existing shipments by logging into [UPS Flex Global View](#).

Sincerely,

UPS Global Freight Forwarding

For details on UPS Air Freight Terms and Conditions of Contract, see ([http://www.ups-scs.com/tools/terms/AirFreight TandC.pdf](http://www.ups-scs.com/tools/terms/AirFreight_TandC.pdf))