

# UPS Proposed Criteria for Assessing and Accepting the Airspace Change Masterplan

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## Background

UPS is one of the world's largest logistics companies, playing a vital role in the collection, warehouse and delivery of goods. Our UK operation includes more than 50 operating facilities, approximately 8,900 employees and a fleet of more than 2,900 vehicles. UPS provides critical national and international time sensitive delivery services for businesses of all sizes.

The express industry in the UK directly employs over 38,000 people and indirectly supports approximately 82,000 jobs in other sectors of the economy. With one of the largest airlines in the world, UPS currently operates two air gateways in the UK at East Midlands Airport (EMA) and Stansted (STN) connecting businesses (exporters and importers) with the rest of the world. In order to better support the growth we are seeing in the UK market, we have recently started construction on an expansion of our facilities at EMA, investing approximately £114 million to increase our footprint from 6,250m<sup>2</sup> to 36,200m<sup>2</sup>.

Aviation is key to global supply chains, enabling UK businesses, especially in the hi-tech, retail, pharmaceutical and healthcare industries to send and receive just-in-time deliveries. Stimulating air freight is critical to economic growth and keeping UK businesses competitive in a 24-hour global economy. With customers requiring late afternoon collections and expecting early next morning deliveries, the only way to move export and import shipments is by air and at night. With the massive rise of ecommerce combined with the reality of both a post-Covid and post-Brexit economy there needs to be a framework for air freight that supports growth which will benefit the wider UK economy.

There are two key points we would like to highlight to ensure they are considered in how changes to the masterplan are made and assessed – 1) Ensure air freight is given balanced consideration based on the value it brings to the UK economy and 2) Highlighting the potential importance of new technologies such as commercial drones and the need to work with industry to outline balanced regulation that keeps pace with the speed of innovation.

## **Air Freight**

Key regional airports such as East Midlands and Stansted (which serves the greater London area) need to be recognised as having strategic national importance as freight hubs and that their value is not just to their local economies but to the connectivity and competitiveness of UK business as a whole. The same focus needs to be placed on the freight journey as is given to the passenger experience. From surface access to multi-modal connectivity and all the potential road blocks throughout the freight process (customs, security etc), it is key that any framework that is put in place supports growth, capacity and maintains connectivity for the next 30 years and beyond.

## **Shared and Integrated Airspace**

As new technologies emerge, it is important that any framework is able to adapt, respond and most importantly, keep pace with the speed of development in order to support rather than impede. One example of this is around commercial drone usage.

Commercial drone delivery is poised to transform supply chains and the movement of goods. In the US, UPS launched UPS Flight Forward in June 2019. The way goods move around the world is changing fast, and the UPS drone program Flight Forward is on the front lines. UPS is the first company certified by the FAA to fly an unlimited number of drones with an unlimited number of operators—which could open up a number of exciting applications for businesses very soon. For example, UPS Flight Forward flew the first revenue-generating drone delivery flight, and has already flown over a thousand more. UPS believes we are entering a new era of mobility in the ‘on-demand’ economy. Innovations like drones, hypersonic planes and hyperloops are reshaping supply chains and even constraints like time and distance. Today, logistics service providers have to wait for the volume to fill a truck, plane or ship. Soon drones will make it affordable to move goods directly in smaller lots and in real time, especially for critical deliveries of medicines and medical supplies.

We feel it is important for commercial operators and regulators work together to ensure regulations and framework are able to incorporate these new technologies and keep pace with the speed of change to ensure the UK can benefit from these opportunities.

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