



NAW Member Survey:

Do you use UPS as a carrier in your transportation operation?

- Most NAW members surveyed said they depend on UPS as a carrier in their transportation operations.

What percentage of your inbound and/or outbound shipments are handled by UPS?

- Most NAW members surveyed said UPS handles fifty to one hundred percent of their inbound and/or outbound shipments.

Describe how a nationwide UPS worker strike of 1 -15 days would impact your operations:

- Most NAW members surveyed said they would see a significant short-term impact on their operations.

Under the Taft-Hartley Act, the President can intervene to end a nationwide UPS worker strike by declaring a national emergency. Would you support such an action by President Biden if a strike were to occur?

- Most of the NAW members surveyed said they would support the President using his authority to declare a national emergency to end a nationwide UPS worker strike.

What NAW Distributors are saying:

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- UPS strike would **delay deliveries to rural areas** and **disrupt emergency critical repair parts delivery.**
- The **last mile consumer deliveries** part of the business will be most affected.
- There will be delayed shipments & Project builds.
- Distribution teams could see a reduction in pay, and there could be possible layoffs and delayed delivery to customers, and the bottom line will take a hit.

- We will likely see massive short-term increases with local parcel services, and securing back orders from suppliers will be a significant challenge.
- The residential deliveries to consumers buying from our E-Commerce partners will be the most affected.
- Customers may experience delays in receiving shipments and increased delivery costs.
- There will be a significant impact on receipt of the product. While we carry significant inventory, 10% of our products are special orders with short lead times expected. Inventory turns are relatively high, we would experience product outages on essential fast-moving items, significantly impacting our customers.

Distribution Product Line Impacts:

- Our **equipment repair parts** ship via UPS, which supports 100% of our sales. Repairs are the profitability in our industry. Without repair parts, our independent dealers cannot do their job and provide repair parts.
- For businesses like **healthcare**, this could be critical. The ripple impact of an extended strike would significantly impact all US businesses.
- It would prevent us from supplying customers with critically needed **maintenance parts**. We try to 'Keep America running.' **Being unable to ship the 5000 or so parcels daily via UPS would significantly impact our customers!**
- It will likely delay the delivery of inventory products used by critical **aerospace and defense** contractors.
- We are an **electronic component distributor**. A strike would have a harmful impact. Customers are manufacturers and are already worried about not having parts to continue producing.
- We sell **maintenance repair products**, and this will hinder the customer's ability to continue to repair equipment & facilities and our ability to replenish our inventory.
- We are in the **book distribution business**, and a strike would have a massive impact on the industry. There are no real mitigation options. UPS is too big of a factor in the book industry.
- **Hardgoods deliveries from our distribution centers and branches** to our customers will severely impact our customer's ability to run their business. Our customers include automakers, their support businesses, national defense contractors, airlines, and trucking companies.
- **Appliances will not be repaired** if a strike takes place. Many homeowners and technicians receive repair parts from 'Parts distributors' and manufacturers via parcel delivery. Non-UPS carriers cannot keep up with the volume of packages if UPS strikes.

Carrier Impact -

- If alternative carriers cannot pick up the additional business, a UPS strike would be crippling in the short term and cost significant revenue.
- In our market, alternative carriers have operational problems, so they are not a solid option for contingency planning. If a UPS strike happens, we believe it will cripple USPS operations, making them unreliable.

- E-commerce customers will be severely impacted by online order delivery. There will be a significant delay for inbound products to inventory from smaller vendors.
- Distributors relying on UPS can only process a small portion of their average shipment volume, resulting in customers running low on the crucial supplies needed to run their business.
- Given the UPS market share, all carriers will likely see significant volume increases, slowing down the US parcel delivery network.