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UPS INVESTS IN AUTONOMOUS TRUCKING COMPANY, TESTS SELF-DRIVING TRACTOR TRAILERS

- UPS Ventures takes minority stake in TuSimple, completing transaction on August 13, and complementing ongoing purchased transportation services
- UPS, TuSimple studying potential network efficiency benefits of future autonomous systems
- Law requires driver in vehicle at all times
- TuSimple believes its technology can reduce the costs of shipping goods via tractor trailer by 30%

Atlanta, Aug. 15, 2019 – [UPS](#) (NYSE:UPS) today said its venture capital arm, UPS Ventures, has made a minority investment in autonomous driving company [TuSimple](#). Together, both companies are testing self-driving tractor trailers on a route in Arizona to determine whether the vehicles can improve service and efficiency in the UPS® network. This is an extension of the ongoing commercial relationship between UPS and TuSimple in which UPS has purchased transportation services from TuSimple.

The work with autonomous driving company [TuSimple](#) began with the goal of helping UPS better understand the requirements for Level 4 Autonomous trucking in its network. L4 Autonomous means the vehicle's onboard computer is in complete control at all times, eliminating manual intervention. Currently, however, laws regulating L4 Autonomous driving require a driver in the vehicle at all times to take over operation if needed.

Throughout the ongoing tests, UPS has been providing truckloads of goods for TuSimple to carry on a North American Freight Forwarding route between Phoenix and Tucson, Arizona. The company initiated self-driving service in May, 2019, with a driver and engineer in the vehicle. TuSimple and UPS monitor distance and time the trucks travel autonomously, safety data and transport time.



“UPS is committed to developing and deploying technologies that enable us to operate our global logistics network more efficiently,” said Chief Strategy and Transformation Officer, Scott Price. “While fully autonomous, driverless vehicles still have development and regulatory work ahead, we are excited by the advances in braking and other technologies that companies like TuSimple are mastering. All of these technologies offer significant safety and other benefits that will be realized long before the full vision of autonomous vehicles is brought to fruition – and UPS will be there, as a leader implementing these new technologies in our fleet.”

Founded in 2015, TuSimple’s mission is to bring the first self-driving truck to market, to increase safety, decrease transportation costs and reduce carbon emissions. TuSimple develops technology that will allow shipping companies to operate self-driving class 8 tractor-trailers – those that exceed 33,000 pounds and typically have three or more axles.

UPS contracts with third-party trucking companies during its peak shipping season. TuSimple believes it could cut average purchased transportation costs by 30%.

“We are honored by UPS’s strategic investment and their vote of confidence in TuSimple, this proves their commitment to staying at the forefront of innovation,” says TuSimple’s Founder, President & CTO, Xiaodi Hou. “TuSimple is confident that it can accelerate bringing the first self-driving truck to market to increase road safety.”

UPS’s tests with TuSimple are part of an advanced technology evaluation for vehicles in the UPS Global Smart Logistics Network. UPS is investing in Internet of Things (IoT) technology, Artificial Intelligence (AI) and advanced analytics to increase fuel efficiency and improve customer service to ensure that UPS remains the shipper of choice.

One way UPS explores new technologies is via its internal venture capital group UPS Ventures, which was established in 1997 as the UPS Strategic Enterprise Fund (SEF). In 2018, the SEF refined its objective and took the new name UPS Ventures. The group now seeks specific capabilities that UPS can integrate into its network immediately. UPS Ventures takes a minority stake in technology startups and actively partners with these companies to achieve technology goals for the UPS Smart Logistics Network.

“The UPS Ventures mission is to build collaborative relationships with early-stage companies that provide capabilities and insights that accelerate technological advancements within our network,” said UPS Ventures Managing Partner, Todd Lewis. “UPS Ventures collaborates with startups to explore new technologies and tailor them to help meet our specific needs.”



About UPS

UPS (NYSE: UPS) is a global leader in logistics, offering a broad range of solutions including transporting packages and freight; facilitating international trade, and deploying advanced technology to more efficiently manage the world of business. Headquartered in Atlanta, UPS serves more than 220 countries and territories worldwide. UPS was awarded [America's Best Customer Service](#) company for Shipping and Delivery services by Newsweek magazine; Fortune magazine's Most Valuable Brand in Transportation; and top rankings on the [JUST 100](#) list for social responsibility, the Dow Jones Sustainability World Index, and the Harris Poll Reputation Quotient, among other prestigious rankings and awards. The company can be found on the web at [ups.com](https://www.ups.com) or pressroom.ups.com and its corporate blog can be found at longitudes.ups.com. The company's sustainability eNewsletter, *UPS Horizons*, can be found at ups.com/sustainabilitynewsletter. To get UPS news direct, follow [@UPS News](#) on Twitter.