Delivering the Future:
New Approaches to Urban Goods Movement and Quality of Life

Thomas Madrecki
Director of Urban Innovation and Mobility
UPS Global Public Affairs
By 2050, nearly 70 percent of the world’s population will live in cities.

How will those residents get around, get to work, get to school and get the things they need?
Total worldwide ecommerce sales in trillions of U.S. dollars

- 2014: 1.3 trillion
- 2015: 1.5 trillion
- 2016: 1.9 trillion
- 2017: 2.3 trillion
- 2018: 2.8 trillion
- 2019: 3.3 trillion
- 2020: 3.9 trillion
- 2021: 4.5 trillion
57% of online shoppers ... made an online purchase in the past six months from an overseas retailer

Overseas purchases were in the majority on all but one continent

Europe 63.4%
Asia-Pacific 57.9%
Africa 55.5%
Latin America 54.6%
North America 45.5%
In this new paradigm, it’s essential to understand that freight and e-commerce delivery services facilitate quality of life.

In fact, they are essential to the neighborhoods of tomorrow.
Quality of life:

- reduced congestion and personal automobile use
- better air quality and lowered environmental impact
- walkable and bikeable
- robust retail and local business growth
- sense of place
Setting the stage for today’s conversation:

- Intersection of major megatrends – need for broad recognition that trend lines are real and only going up
- Mutual awareness about the cost of delivery and the impact of megatrends
- How does building design impact delivery?
- “The Final 50 Feet”
- Delivery as an amenity – not an after-thought
- How can UPS, apartment developers and cities collaborate on mutually beneficial solutions?
- Technology offers potential pathways to a better future, even while fueling continued change
- Critical discussion around universality of solutions – not just for USPS or particular carriers
- Demand modeling and helping everyone to understand megatrend lines
UPS has specific solutions, too:

In fact, we are already working with cities globally to develop new best practices in urban goods movement, congestion mitigation and public-private partnerships to drive competitiveness:

- More than 30 ongoing urban delivery pilot projects worldwide, including U.S. projects in Portland, Pittsburgh, Ft. Lauderdale, and more to come like Washington DC and Seattle
- “Rolling Laboratory” of alternative fuel vehicles
- Huge range of potential UPS approaches - vehicle electrification, lockers, access points, big data applications and data sharing, routing, alternative delivery methods and emerging mobility technologies
- Data and research based initiatives such as ORION and UPS’s collaboration with academic partners at the University of Washington’s Urban Freight Lab, Georgetown University, MIT’s Megacities Logistics Lab and more.
- Recognition that there’s no silver bullet to city competitiveness – need for a spectrum of technology and policy solutions
Transforming challenges into opportunities

• A few of the working ideas under consideration between UPS and key stakeholders:
  -- Green freight loading zones, parking placards and reduced ticketing
  -- Infrastructure investments
  -- Increased commercial parking
  -- Potential for automated enforcement of loading zones
  -- Changes to building design and zoning code
  -- Greater incorporation of e-commerce and freight into city planning and design
  -- Reduced personal vehicle congestion
  -- Staging area and authorization for e-trikes
  -- Opportunities to test new technologies and pilot projects
  -- Additional incentives and support mechanisms for future mobility projects

• Zeroing in on this bolded point – what happens in the final 50 feet of delivery directly impacts apartment owners, residents, delivery companies and cities

• How can we collaboratively address delivery challenges?
Moving forward:

• You think your mailrooms are full today…

• Opportunity to proactively plan for and manage delivery with potential partners like UPS

• Managing customer (and resident) expectations

• Loading provisions and other capacities outside the building itself – stretching into transportation design

• UPS is actively working on both technology and policy solutions with cities, many of which tie back to the same e-commerce and urban delivery challenges highlighted today