

Topic: CLX Covid-19 Update

March 27, 2020:

CLX Logistics continues to monitor the impacts of the Covid-19 virus. As a company, we are focused on the safety of our employees and ensuring our customers are well supported through this time. We remain open for business and are operating under our business continuity plan. During this time, two-way communication is key. Please do not hesitate to reach out to us.

Below is a recap of key items impacting transportation today. It is a compilation of information from our team, carrier partners, customers, and industry sources.

Regulatory / Governmental Updates:

- No substantial changes to the FMCSA HOS adjustments to HOS regulatory relief. The waivers implemented on [March 13](#) and [March 18](#) remain in place.
- The U.S. / Canada and U.S. / Mexico borders were closed to non-essential traffic effective March 21, 2020. This does not include commercial traffic and drivers with work visas.
- Guidance from CISA on essential critical infrastructure workforce can be found [here](#).
- Shelter in place / stay at home directives have continued to expand as the virus spreads throughout the country. The table in the right margin of page 2 contains an updated list. States with an * are those in which non-essential businesses have been asked to close, but no formal stay at home directives have been announced.
- In Canada, Ontario and Quebec closed non-essential businesses as of 11:59 pm on Tuesday March 24, 2020.
- CVSA International Road Check has been [postponed](#). It was scheduled for May 5-7.

Market Updates:

Bulk:

- Bulk operations appear to be running near normal, in general.
- There may be localized instances of disruption, but to date we have no reports of widespread reduction in operations or capacity due to driver illness.
- Reports from our carrier partners indicate activity is heavy along the Gulf Coast (particularly in the Houston TX area) and through the Midwest in general.

Covid-19 Update: 3/27/2020 @ 06:49 AM



U.S. Totals:

Cases 85,996
Deaths 1,300

Cases by State (Top 3):

New York 39k+
New Jersey 6k+
California 4k+

Source: [CSSE at Johns Hopkins University](#)

Having Capacity Issues?

CLX Brokerage Services can help alleviate some of the capacity issues you may be experiencing with your pool of carriers.

Contact us for more info:
Brokerage@clxlogistics.com

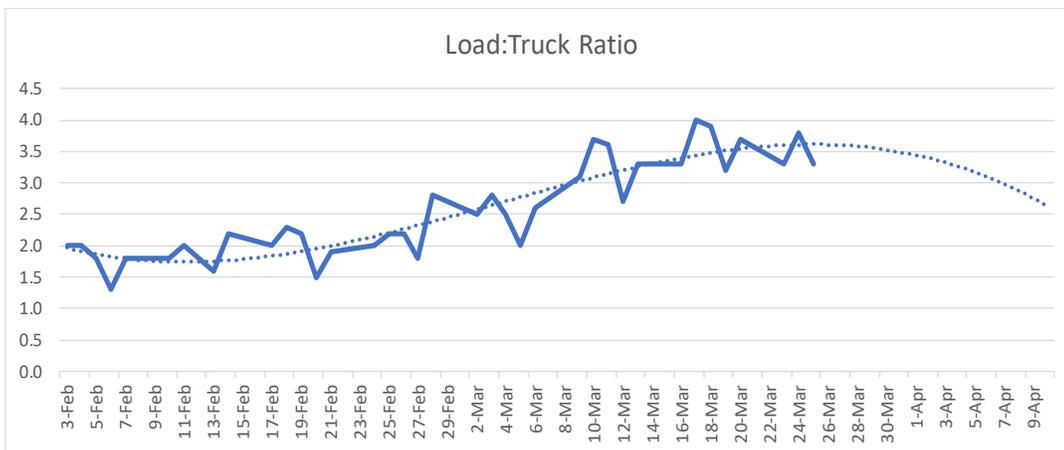


LTL:

- FedEx is still experiencing service disruption in the San Francisco area as of March 19.
- YRC continues to deliver to the Bay area under restricted conditions and cannot honor time-critical guarantees
- A. Duie Pyle is fully operational but has noted that any consignees that cannot accept shipments will have product returned freight collect to the shipper.
- We are not aware of other specific service disruptions related to Covid-19 at the current time. Local terminals will be the best source of area operating restrictions.

Truckload Dry Van/Reefer/Flatbed:

- No reports of widespread capacity issues due to driver illness.
- Shipments into California specifically, and the West Coast in general, continue to command the rate premiums that were in place prior to the last couple of weeks, due to lack of inbound freight from China.
- Spot market activity increased 4.6% overall last week in comparison to the prior week, per DAT.
- Van shipment load to truck ratio increased by 11% last week.
- Reefer shipment load to truck ratio increased by 26% last week.
- Flatbed shipment load to truck ratio decreased by 16% last week.
- Rate volatility is expected to continue due to constantly changing conditions.
- Several industry sources believe the surge in demand, directly related to restocking consumer goods, may have peaked and begin to slow down shortly.
- The table below is the latest load to truck ratio from DAT (US shipments)



Source: DAT Solutions, LLC.

Shelter in Place Directives	
State	Effective Date
California	3/19/2020
Pennsylvania	3/19/2020
Oregon	3/20/2020
Illinois	3/21/2020
New Jersey	3/21/2020
New York	3/22/2020
Connecticut	3/23/2020
Kentucky*	3/23/2020
Louisiana	3/23/2020
Maryland*	3/23/2020
Ohio	3/23/2020
Washington	3/23/2020
Delaware	3/24/2020
Massachusetts	3/24/2020
Michigan	3/24/2020
New Mexico	3/24/2020
West Virginia	3/24/2020
Hawaii	3/25/2020
Idaho	3/25/2020
Indiana	3/25/2020
Nevada*	3/25/2020
Vermont	3/25/2020
Virginia*	3/25/2020
Wisconsin	3/25/2020
Colorado	3/26/2020
New Hampshire	3/27/2020
Minnesota	3/28/2020

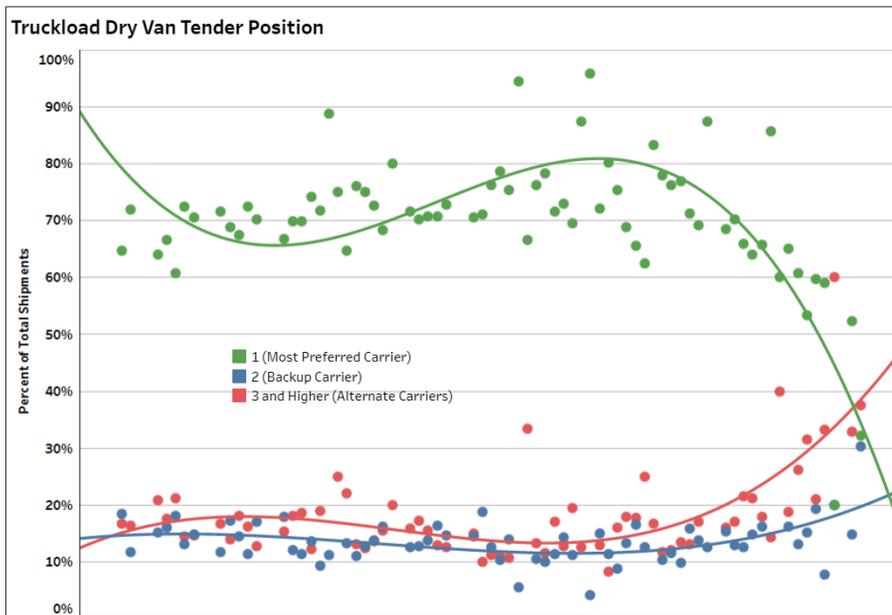


Export/Import/Ocean:

- Although China has begun re-opening factories, it will still be some time before they are back to previous production levels.
- We are seeing issues with equipment capacity on the West Coast and Midwest due to the supply chain disruption.
- India announced a 21-day lockdown, effective March 24th.

Market Tender Position:

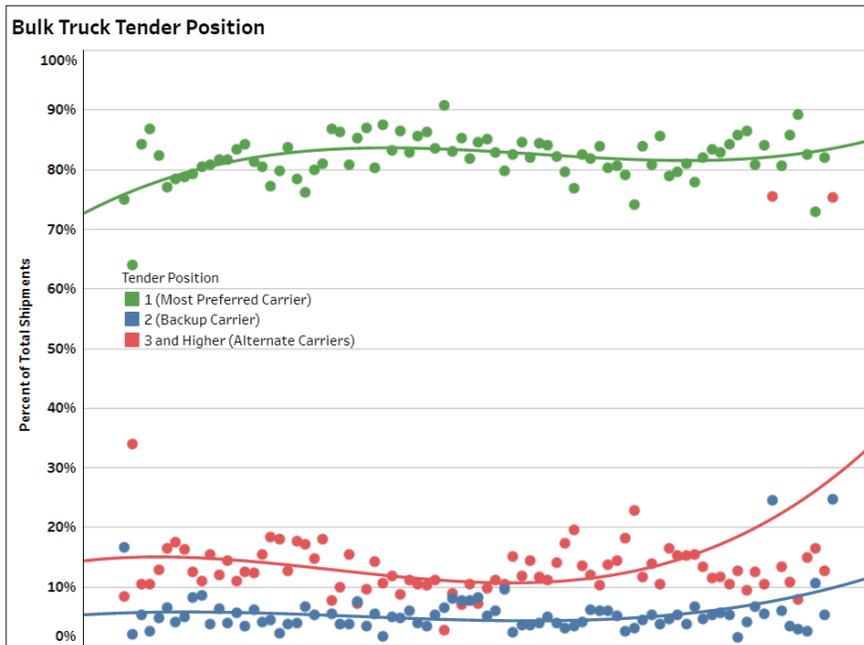
The charts below show the daily carrier tender acceptance performance within the CLX US carrier network in 2020. Truckload acceptance by primary carriers has decreased significantly in the past couple weeks (green line). This coincides with the surge of activity to restock consumer goods as work/travel restrictions have been implemented. The blue line represents the backup carrier, and the red line represents alternate carriers (third and higher in routing guide sequence).



Source: CLX Logistics US carrier network. YTD March 2020. Customer pickup and return shipments excluded.



Bulk tender acceptance by primary carriers has remained relatively consistent. Carriers have reported that any decreases in one sector (ex. automotive lubricants) have been offset by increases in another (ex. chemicals for sanitization, water treatment).



Source: CLX Logistics US carrier network. YTD March 2020. Customer pickup and return shipments excluded.



TRANSPORTATION MANAGED ANALYTICS CAN HELP YOU ANSWER TOUGH QUESTIONS ABOUT YOUR SUPPLY CHAINS SUCH AS:

- *How “healthy” is my transportation spend compared to my peers using the same lanes and modes?*
- *How well is my transportation routing guide performance? And, what areas of performance are unique to me or are resultant from the transportation business environment?*
- *How should my private fleet size evolve to compensate for demand and market expectations?*
- *How do I collaborate with other shippers to share excess private fleet capacity in the area?*

BENEFITS OF OUR TRANSPORTATION MANAGED ANALYTICS

Regardless of the [TMS platform](#) you’re using or business model, CLX Logistics can use transportation managed analytics to bring innovation and efficiency to your supply chains. Most systems are flexible enough to merge data from external sources into the algorithm architecture. With transportation managed analytics you’ll benefit from:

- *Cost savings of approximately 2-5 percent of transportation spend*
- *Actionable supply chain visibility across your entire organization*
- *Performance optimization based on data-driven recommendations*
- *Reduced risk by calling on decades of data to make smart decisions*

GETTING STARTED WITH TRANSPORTATION MANAGED ANALYTICS

To understand the value that transportation managed analytics can bring to your organization, consider the following:

- *How visible is our transportation data today to our organization?*
- *Do we spend more time collecting and preparing data or analyzing it to generate value?*
- *Is there a continuous improvement program in place today to drive savings and efficiency?*
- *If so, what’s working well and where do we struggle to drive innovation?*
- *What could we do (or do better) that our customers or stakeholders would find value in and would differentiate us over our competition?*

With the ability to manipulate data within seconds, transportation managed analytics is centered on fixing problems, not spending time trying to find them. To get a free demonstration using your data and integrating the transportation managed analytics program into your supply chain [contact us today.](#)