

Topic: CLX Covid-19 Update

April 3, 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:

- The FMCSA HOS waivers implemented on [March 13](#) and [March 18](#) remain in place. On [March 24](#), a waiver was issued for CDL's expiring on/after March 1 will not need to be renewed until June 30. On [March 28](#), a three month waiver was granted for commercial learner's permit holders.
- On March 30th, US Court of Appeals denied a request from the Teamsters to 'stay' the current injunction against AB5 enforcement which would require carriers to hire owner operators as employees.
- Guidance from CISA on essential critical infrastructure workforce can be found [here](#).

Closures and Travel Restrictions:

- [Texas](#) and [Florida \(1\),\(2\)](#) are attempting to quarantine out of state visitors from certain high risk locations. Commercial travel is exempted. Click the respective links for additional details.
- Shelter in place / stay at home directives have continued to expand as the virus spreads throughout the U.S. The table in the right margin of page 2 contains an updated list of states that have enacted statewide policies. Many of the remaining states have issued similar guidance, but not official policies.
- 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.
- In Canada, Ontario and Quebec closed non-essential businesses as of 11:59 pm on Tuesday March 24, 2020.
- A worldwide list of restrictions from the International Road Transport Union can be found [here](#), along with a [daily updated website](#).
- Updates from the Holland International Distribution Council can be found [here](#).

Covid-19 Update: 4/3/2020 @ 08:21 AM



U.S. Totals:

Cases 245,601
Deaths 6,058

Cases by State (Top 3):

New York 92k+
New Jersey 25k+
California 11k+

Cases by Country (Top 3):

U.S 245k+
Spain 117k+
Italy 115k+

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



Market Updates:

Bulk:

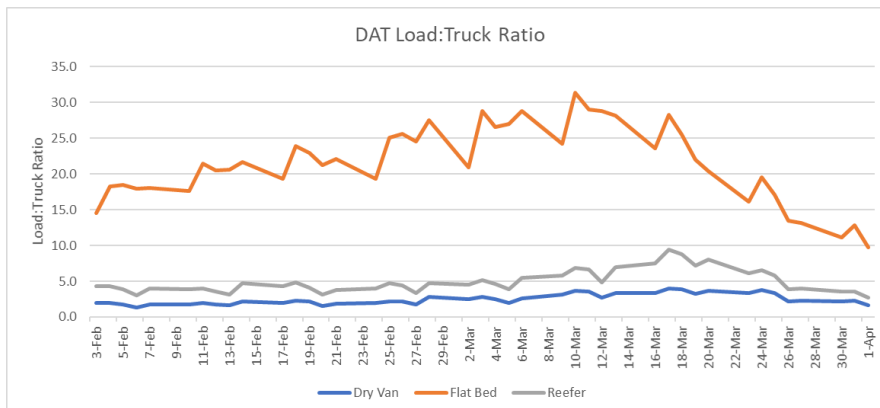
- Bulk operations appear to be running near normal, in general. Gasoline shipments have experienced a sizeable decrease, as more and more states have instituted stay home directives and consumer consumption drops.
- Activity in support of sanitization/personal care products and water treatment compounds has increased. No reports of widespread capacity issues due to driver illness.

LTL:

- In general, LTL carriers are operating normally. No reports of widespread driver illness. Local terminals will be the best source of area operating restrictions.
- LTL carriers continue to recommend confirming consignees are open for business prior to shipping any freight – to avoid returns and associated charges.
- Many LTL/parcel companies (YRC, UPS, FedEx) have suspended service guarantees or are not offering refunds if delivery dates are not met. Many have waived signature at delivery requirements.

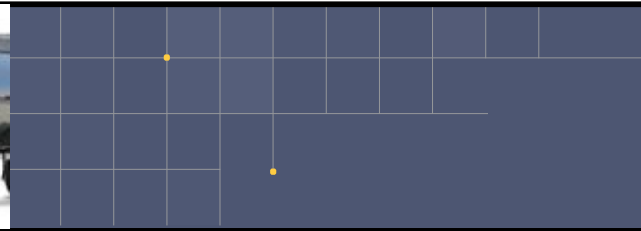
Truckload Dry Van/Reefer/Flatbed:

- Last week we noted that several industry sources believed the consumer goods surge may have peaked. Feedback from partners this week confirms that carriers reliant upon auto industry, shut down retailers, and non-essential products are struggling for work to keep trucks moving. Port slowdowns are also freeing up some capacity.
- Spot market activity decreased 25.4% overall last week in comparison to the prior week, per DAT.
- Van shipment load to truck ratio decreased by 20.1% last week.
- Reefer shipment load to truck ratio decreased by 36.9% last week.
- Flatbed shipment load to truck ratio decreased by 34.2% last week.
- 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 |
| Alaska | 3/27/2020 |
| Rhode Island | 3/28/2020 |
| Minnesota | 3/28/2020 |
| Montana | 3/28/2020 |
| Kansas | 3/30/2020 |
| North Carolina | 3/30/2020 |
| Arizona | 3/31/2020 |
| Washington DC | 4/1/2020 |
| Tennessee | 4/1/2020 |
| Maine | 4/2/2020 |
| Florida | 4/3/2020 |
| Georgia | 4/3/2020 |
| Mississippi | 4/3/2020 |



Export/Import/Ocean:

- Blank sailings increased from 45 to 120 this week, significantly more than expected.
- US exports to Europe have decreased, resulting in additional blank sailings.
- Inbound shipments from Asia (specifically China) into the U.S. are also continuing to see about 15% of shipments delayed due to blank sailings from decreased volumes.
- With the decrease of import shipments and blank sailings, the resulting container/equipment shortages outside of the most major ports continue at an unprecedented pace.
- Blank sailings also mean that there is terminal and port congestion, so loaded containers are beginning to pile up at the ports faster than they can be pulled.
- Maritime Strategies International (MSI) projects that the total volume of shipments in March-May will fall 17.8% year-on-year on the Asia-Europe route, 15% on the trans-Pacific (U.S. West Coast) route and 13% on the trans-Pacific (U.S. East Coast) route.
 - MSI also estimates that May spot rates in the Asia-Europe trade will decline 36% versus February and trans-Pacific rates will fall 17%.
- It was confirmed that the sickened crewmembers of the Gjertrud Maersk do have COVID-19 and, as a result, Maersk line and many other carriers suspended all crew changes for the next two weeks.
- India's 21-day shutdown has had several effects on shipping while shipments are still coming and going:
 - Port operations, trucking and most warehousing remain open but are working at a significantly slower pace with decreased personnel
 - Blank sailings have increased for vessels originating from Indian ports
 - Carriers such as Hapag Lloyd have instituted additional fees for carrier routed inland trucking in India to make up for the supply/demand issue
 - Vessels that arrive into India are having cargo put into quarantine for 14 days
- With many ocean carriers and countries still taking planned Easter holiday, it will have a larger impact on shipping than usual with employee shortages in most countries already hampering supply chain productivity.
- Many terminals throughout the United States are either seeing decreased hours, a switch to reservations for truckers or single-day closures to work around the decreased shipping volumes at the ports
- Airfreight shipments continue to see issues with securing space as emergency shipments of PPEs and other medical accessories are prioritized over standard commercial cargo.

Rail:

- Rail network remains stable. All Class I railroads reporting no issues due to Covid-19.

CLX International Services can assist with import and export needs.

Contact us for more info:
internationalops@clxlogistics.com

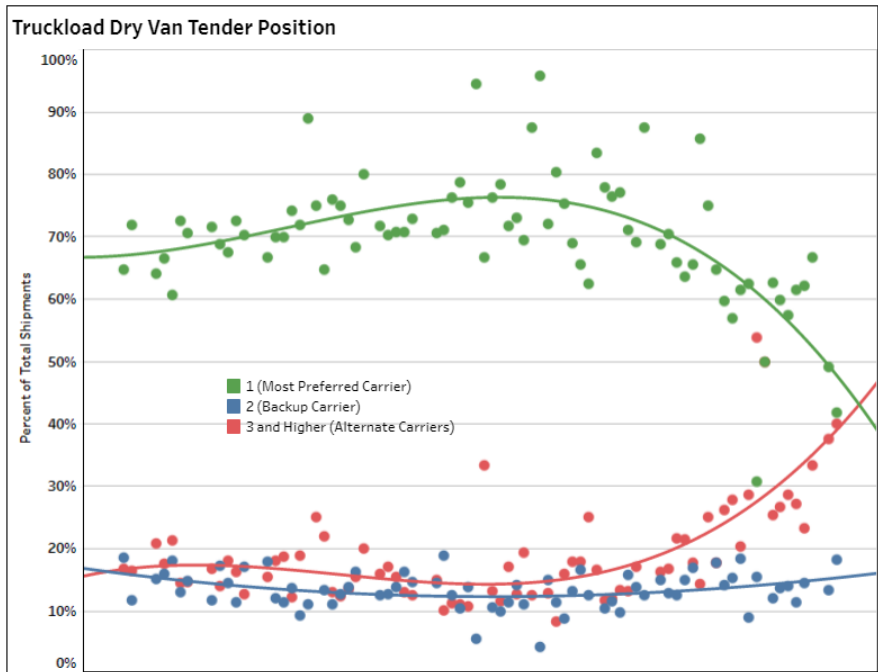


Market Tender Position:

The charts below show the daily carrier tender acceptance performance within the CLX US carrier network in 2020 and accounts for shipments that are sequentially tendered. The information is updated daily.

Truckload acceptance by primary carriers has decreased significantly in the past several weeks (green line). The blue line represents the backup carrier, and the red line represents alternate carriers (third and higher in routing guide sequence).

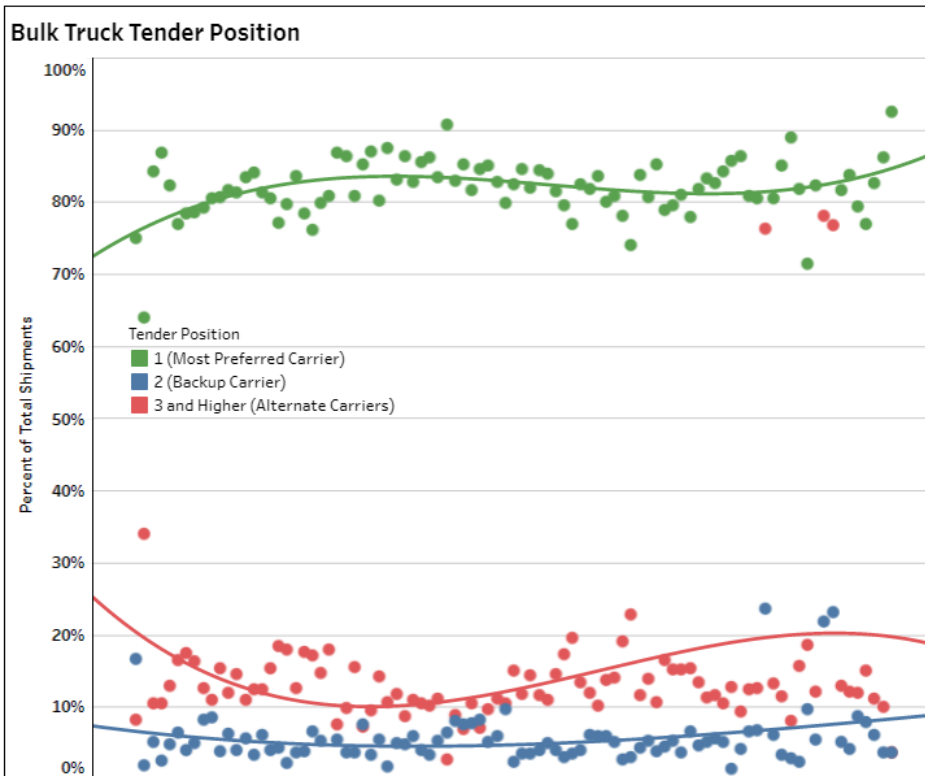
The chart data coincides with the surge of activity to restock consumer goods as work/travel restrictions have been implemented. As the surge passes, we anticipate that tender acceptance by primary carriers will begin to rebound as various parts of the economy continue to shut down and freight volumes slip due to lack of consumer demand for many non-essential products.



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 and has started to trend up. As noted earlier, the market is adjusting capacity from sectors which have slowed to those which have increased due to the Covid-19 changes. This accounts for shipments that are sequentially tendered.



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

To get a free demonstration using your data and integrating the transportation managed analytics program into your data [contact us today.](#)