US PORT/RAIL RAMP FREIGHT INDEX

PORT CONTAINER DRAY OPERATIONS

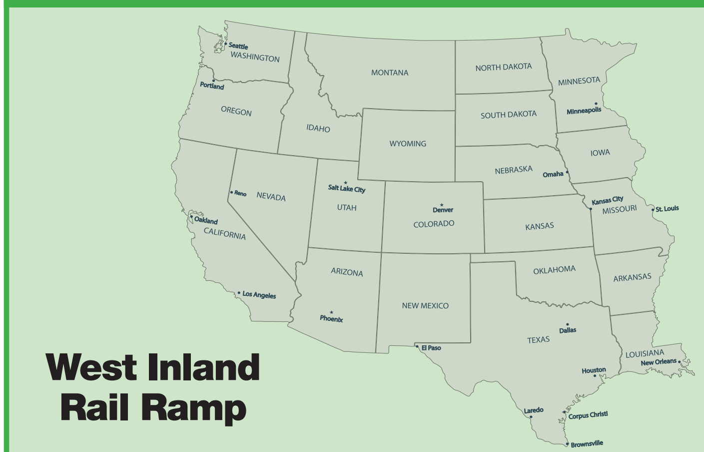
MODERATE

NORMAL

NORMAL

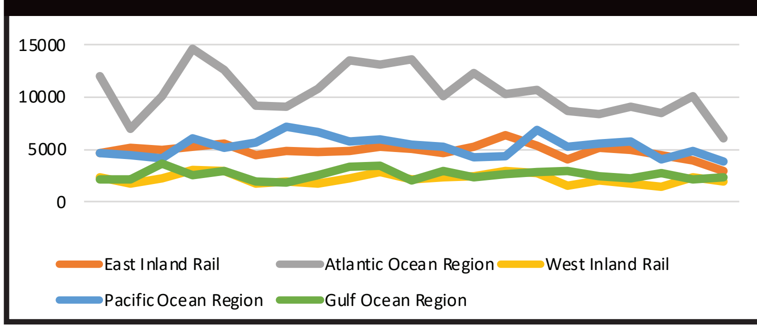
OCEAN/DOMESTIC CONTAINER RAIL RAMP OPERATIONS

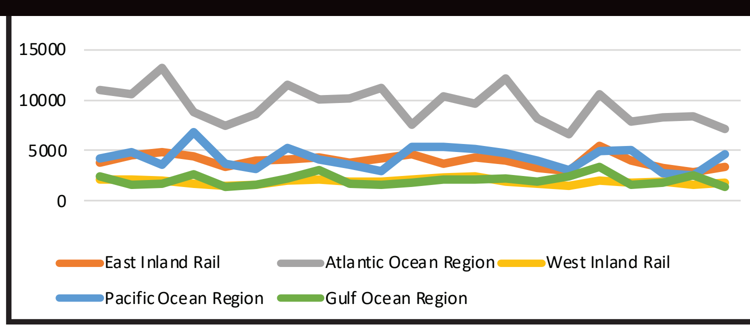
NORMAL



MODERATE

SEPT. 2022 – US PORT/RAIL RAMP TRUCKING DEMAND – OCT. 2022



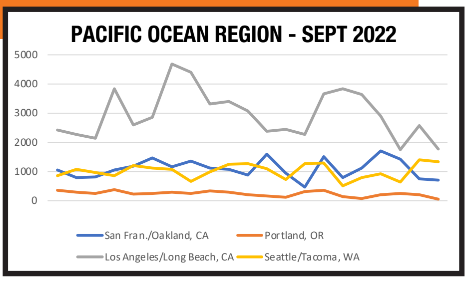


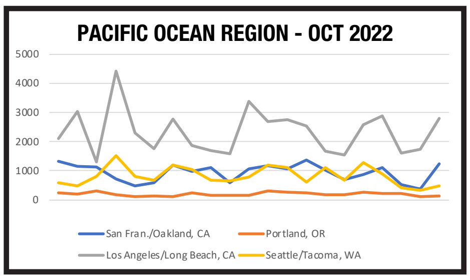
SUMMARY – NOVEMBER, 2022

- As predicted, peak import ocean volumes have subsided and overall, most of the US ports and rail ramps are at normal operations. Import volumes will continue to plummet as we go through Q4.
- Inventory for BCO's in most, if not all, segments of the economy are at an unprecedented high at most DC's and warehouses throughout the US. That has brought demand for imports to some of the lowest levels in years. For example, East Asia to Western US import traffic is at levels not seen since 2009.
- Forecast for the remainder of the quarter is for most ports and rail ramps to see normal operations without significant congestion. The major headwind forecasted in November at this time is ocean chassis availability in Oakland and East Coast rail ramps especially in the smaller interior markets. The major contributing factor challenging chassis availability is the lack of DC and warehouse receiving capacity throughout the US and ocean container dwell time awaiting unload. Oakland chassis should be normalized throughout November as many chassis providers are repositioning chassis from an oversaturated LA/LB market.
- One additional underlining factor that could create significant problems to the US supply chain are the ongoing ILWU and Rail Union labor negotiations. If those talks break down and work stoppage or work slowdowns occur all west coast ports will see serious congestion and operational disruptions not seen since 2015. There are four remaining unions needing to ratify the current agreement and if that is not done by 12/4/22 there is a good chance operations will cease. US Rail operations and IPI containerized freight could come to a standstill as the threat of a potential strike is looming. Stay tuned...

US PORT/RAIL RAMP FREIGHT INDEX

PACIFIC REGION – MODERATE



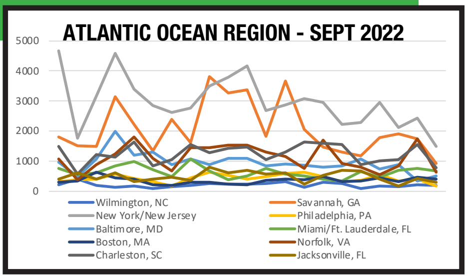


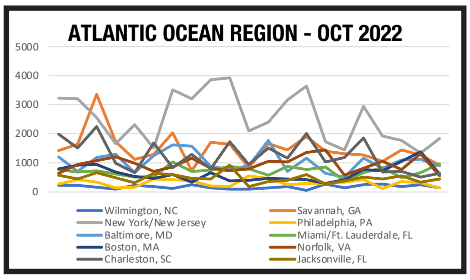
- **SEATAC** – Vessel congestion low. Terminals at normal operations. Chassis readily available. Container storage availability normal. Transload availability normal. Outbound domestic capacity availability normal.
- **OAK** – Vessel congestion low. Terminals are seeing intermediate congestion. Chassis pools are low. Container storage availability moderate. Transload availability moderate. Outbound domestic capacity availability normal.
- **LA/LB** – Vessel congestion low. Terminals at normal operations. Chassis readily available. Container storage availability normal. Transload availability normal. Outbound domestic capacity availability normal.

OPPORTUNITY FOR OPERATIONAL EFFICIENCY – *SSL booking into Port of Los Angeles as Ocean Carrier rates are low and terminal and trucking operations are running smoothly. Moving IM Rail routed freight to Domestic truckload as rates are lower in many cases.*

POTENTIAL HEADWINDS – *Labor disruption. Dual transaction mandates at terminals limiting availability to pull containers from terminals. BCO DC receiving capacity. Chassis availability in Oakland.*

ATLANTIC REGION – NORMAL



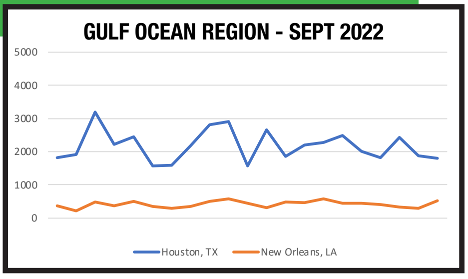


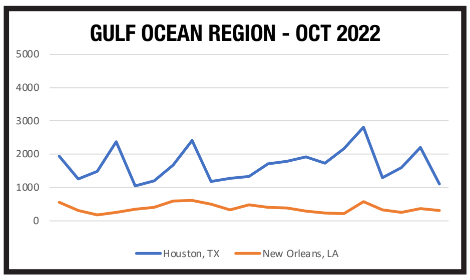
- **NY/NJ** – Vessel congestion low. Terminals at normal operations. Chassis readily available. Container storage availability moderate. Transload availability normal. Outbound domestic capacity availability normal.
- **NORFOLK** – Vessel congestion low. Terminals at normal operations. Chassis readily available. Container storage availability moderate. Transload availability normal. Outbound domestic capacity availability normal.
- **CHARLESTON** – Vessel congestion low. Terminals at normal operations. Chassis pools moderate. Container storage availability normal. Transload availability normal. Outbound domestic capacity availability normal.
- **SAVANNAH** – Vessel congestion moderate. Slight terminal congestion. Chassis pools moderate. Container storage availability moderate. Transload availability normal. Outbound domestic capacity availability normal.
- **MIAMI** - Vessel congestion low. Terminals at normal operations. Chassis readily available. Container storage availability normal. Transload availability normal. Outbound domestic capacity availability normal.

OPPORTUNITY FOR OPERATIONAL EFFICIENCY – *Transload Ocean containerized freight to domestic truckload as domestic truckload rates in many cases are lower than IM Rail capacity.*

POTENTIAL HEADWINDS –*BCO DC receiving capacity. Limited empty container returns in NY/NJ.*

GULF REGION – NORMAL





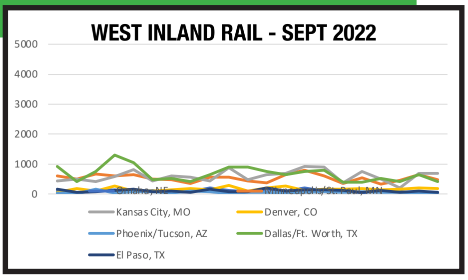
- **TAMPA** – Vessel congestion low. Terminals at normal operations. Chassis readily available. Container storage availability normal. Transload availability normal. Outbound domestic capacity availability normal.
- **MOBILE** – Vessel congestion low. Terminals at normal operations. Chassis readily available. Container storage availability normal. Transload availability normal. Outbound domestic capacity availability normal.
- **NEW ORLEANS** – Vessel congestion low. Terminals at normal operations. Chassis readily available. Container storage availability normal. Transload availability normal. Outbound domestic capacity availability normal.
- **HOUSTON** – Vessel congestion low. Slight terminal congestion. Chassis availability moderate. Container storage availability normal. Transload availability normal. Outbound domestic capacity availability normal.

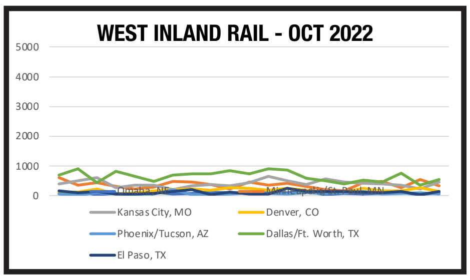
OPPORTUNITY FOR OPERATIONAL EFFICIENCY – *Transload Ocean containerized freight to domestic truckload as domestic truckload rates in many cases are lower than IM Rail capacity. Booking ocean freight destined to Dallas via IPI transfer in LA/LB as opposed to Port of Houston.*

POTENTIAL HEADWINDS – *BCO DC receiving capacity*

US PORT/RAIL RAMP FREIGHT INDEX

WEST INLAND RAIL RAMP REGION – NORMAL



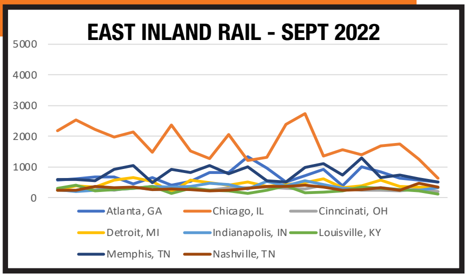


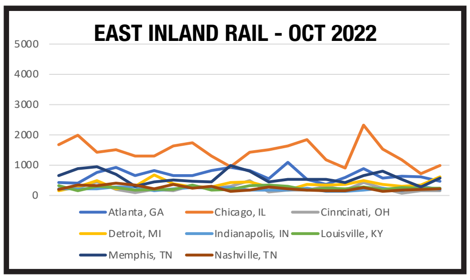
- **SLC –** Congestion low. Ramps at normal operations. Chassis availability normal. Container storage normal. Container availability normal.
- **DENVER –** Congestion low. Ramps at normal operations. Chassis availability normal. Container storage normal. Container availability normal.
- **DALLAS –** Congestion low. Ramps at normal operations. Chassis availability normal. Container storage normal. Container availability normal.

OPPORTUNITY FOR OPERATIONAL EFFICIENCY – *Export equipment and capacity are readily available. Ramps can handle IPI ocean container volumes from the east coast. Consider moving newly routed east coast freight IPI to the west.*

POTENTIAL HEADWINDS – *Labor disruptions. Inland 3PL/BCO DC receiving capacity.*

EAST INLAND RAIL RAMP REGION – MODERATE





- **CHICAGO –** Congestion normal. Ramps at normal operations. Chassis availability normal. Container storage normal. Container availability normal.
- **MEMPHIS –** Congestion moderate. Ramps at normal operations. Chassis availability low. Container storage low. Container availability normal.
- **NASHVILLE –** Congestion moderate. Ramps at normal operations. Chassis availability low. Container storage low. Container availability normal.
- **CHARLOTTE –** Congestion moderate. Ramps at normal operations. Chassis availability low. Container storage low. Container availability normal.
- **ATLANTA –** Congestion moderate. Ramps at normal operations. Chassis availability low. Container storage low. Container availability normal.
- **COLUMBUS –** Congestion moderate. Ramps at normal operations. Chassis availability low. Container storage low. Container availability normal.

OPPORTUNITY FOR OPERATIONAL EFFICIENCY – *Export equipment and capacity are readily available.*

POTENTIAL HEADWINDS – *Inland 3PL/BCO DC receiving capacity. Chassis availability. Delayed IPI transfer from LA/LB causing longer transit time and ramp congestion.*

AND NOW THE GOOD NEWS FOR NOVEMBER!

- Ocean container rates are the lowest in years and congestion at most, if not all, ocean terminals throughout the US is very low.
- Trucking rates also have gone down significantly over the last 3 months. Booking capacity in both modes should significantly positively affect your budgets. By going to RFP now for dray capacity you should reduce your spend.
- Many savvy BCO's are moving away from door moves and booking to the CY or Ramp to control dray operations and lower costs. Consider doing so in 2023.
- If you are having operational issues with door moves currently, consider moving trucking to trusted dray providers with a nationwide footprint to a CNT (customer nominated trucker) set up under those SSL and NVO contracts.