

Trucking Challenges

February 1, 2018

Dear Valued Customer,

The trucking industry in the USA is currently facing significant challenges based on a number of factors. The Industry is facing a growing shortage of qualified drivers which is having a dramatic effect on the ability to have freight delivered in a timely and effective manner.

Below we have highlighted multiple points involved in this crisis situation that are at the root of these challenges negatively affecting the ability to secure truck power:

- US Federal mandate for “Electronic Log Devices” (ELDs) implemented December 18, 2017
 - Required Commercial Trucks to be equipped with electronic logging devices
 - Strictly limits Hour of Service and will lead to additional “Layover/Pre-pull” fees
 - ELDs monitor the time drivers spend on the road to track drive time against the maximum hours allowed
- Reduced Driver Workforce; fewer available drivers in the market
- Limited Availability of Specialty Drivers (hazardous, refrigerated and overweight cargo)
- High Service Demand for Hazardous and Reefers, Special Cargo, and Overweight Cargo
- Increased Operational and Fuel Costs for Trucking Companies
- Chassis and Equipment Shortages
- Limited Free Time at US Rail Ramps
- Infrastructure challenges and congestion at Terminals and Rail Ramps
- Recent weather related activity throughout the country

With the above noted challenges, there is an increased risk of demurrage, detention, storage, late notice of delayed appointment times, dry run charges and driving drayage rates upwards. At Page we will continue to work to secure space for both your Import and Export trucking needs but ask that our valued customers consider a number of proactive measures and actions that will increase our success rate in securing power and capacity. To limit the impact of all of the above challenges we have several recommendations for your consideration:

- Clear Import Cargo at the port of discharge vs. the inland ramp location. This will allow additional lead time in securing truck power.
- Cargo should be US Custom Cleared well in advance. Submit freight payment, original bills of lading and US Custom Clearances as quickly as possible; a minimum of 48 hours prior to LFD.
- Establish 24/7 flexible receiving time or provide flexibility in warehouse appointment times and scheduling
- Consider increased lead time to arrange for cargo pick-up or delivery (Pre-Dispatch)
- Submit delivery orders as soon as possible

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In regards to considering increased lead time to arrange cargo pick-up or delivery, there are currently critical truck power issues in the following markets:

- New York
- Savannah
- Charleston
- Chicago
- Baltimore
- Philadelphia
- Detroit
- Columbus
- Cincinnati
- Minneapolis
- Omaha
- Kansas City
- Dallas
- New Orleans

By critical, the truck power availability is over 7 days out. In many cases, truckers are booked 3-4 weeks out. The availability also only relates to moves characterized as 'local', or within a 200 mile radius of the port or ramp location. The availability for longer haul or specialty moves is even greater. Port or Rail Ramps you don't see listed above aren't in the clear. Locations such as Boston, Charlotte, Norfolk, Atlanta, Cleveland, Memphis and Houston are still looking at around a week lead time, again, only for 'local' moves.

We appreciate flexibility to organize trucking moves and encourage booking well in advance. The sooner you are able to provide a pick-up or delivery details, the sooner we can reach out to secure truck power. Any advance notification is helpful, even if it is just basic information such as the anticipated ETA or load date along with volume. With this information we can reach out to our truck providers to try and reserve space.

We will continue to work diligently to ensure that as our customer you are receiving the level of service you deserve. Page International appreciates your patience and understanding during these difficult times, which are unfortunately beyond our control. The situation is being closely monitored and we are committed to finding solutions, when available. We will continue to keep you posted as the situation progresses.

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