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From: CHRUpdates <CHRUpdates@chrobinson.com>
Sent: Wednesday, March 18, 2020 2:44 PM
Subject: C.H. Robinson - Coronavirus and Transportation Market Update 3.18
Attachments: 03-18-20-client-advisory-update-coronavirus-outbreak.pdf; COVID-19 State and Provincial Notices.pdf

Good Afternoon,

Below is an update to our information from Monday March 16th. Please let us know at any time if there is specific information or questions you have and we will do our best to get them answered. I have attached our most recent client advisory from this morning 3.18.20.

C.H. Robinson's contingency plans are in full effect. Majority of our workforce is remote but remain 100% effective and committed to getting our customers through this difficult time!

What has happened in the last 48 hours?

- There has been an increase in short term demand, particularly in essential items and increase closures across the U.S. We expect in other industries, however, for demand to take a sharp decline, leaving some overall uncertainty on the overall impact on supply and demand.
- We have seen Amazon and others restrict the movement of any non-essential material into their warehouses. Amazon also announced the goal of hiring 100k employees to support the needs of the consumers around this country.
- We are still experiencing winter weather patterns, particularly this week, that could add complexity to the situation in areas throughout the upper Midwest. Next week appears to be warmer, so hopefully this is the last of a winter weather update!
<https://weather.com/storms/winter/news/2020-03-14-snow-wind-west-plains-upper-midwest-strong-system>
- PA and other areas throughout the country are shutting down rest stops and parking which will impose challenges to drivers.
<https://www.freightwaves.com/news/pennsylvania-shuts-its-rest-stops-to-all-activity-including-parking>
- We have seen manufacturers begin to limit the amount of workers in the plant at a given time causing lost productivity from a shipping/receiving operational standpoint. In addition, at times pre-screen agreements are being asked to be completed by drivers prior to coming into contact with the location.
 - Major Automotive plants as of today are closing in the U.S.
 - <https://www.businessinsider.com/gm-ford-fiat-chrysler-shutting-us-factories-coronavirus-2020-3>
- Many of our customers that serve industries that are currently shut down have been challenged to reassign product back to their plants causing supply chain disruptions.

Truckload

- Supply and Demand ratios rose higher this week in every region outside of the pacific Northwest when compared to the previous week. The expectation is that there will continue to be a profound impact on freight flows.
 - Dry Van ratios up 31%
 - Flatbed ratios up 7.5%
 - Spot loads posted rose 18%
- Attached is a breakdown of the state notices related to the COVID-19. Many states have relaxed intra-state rules related to essential supplies.

LTL

- In general, due to the halt of retail and other non-essential items, capacity remains readily available.
- Many LTL carriers are not allowing for inside delivery or pick-ups at residents (there are some exceptions to commercial inside deliveries).
- FedEx announced embargo's in Philly and San Francisco for any non-essential deliveries. Philly was lifted today, but San Francisco remains.
- There are some facilities that are not letting driver's on-site causing some delivery disruptions.

Below is a list of essential delivery locations that would apply to exceptions.

- Supermarkets and grocery stores
- Big box stores
- Pharmacies
- Discount stores, mini-markets, and non-specialized food stores
- Daycare centers
- Hardware stores
- Gas stations
- Banks
- Post Offices
- Laundromats and dry cleaners
- Veterinary clinics for domestic pets and pet stores

Ocean/air: There is still slow demand as companies/countries are not running at 100%. We believe Chinese factories are at about 80% output at this time. We are seeing some container shortages because ocean containers are coming into ports as frequently due to the blank sailings. To put it into perspective, there have been twice as many vessels cancelled due to the Coronavirus, than during the peak of the trade war. Regarding air shipments, we have seen importers trying to get product quicker, but due to travel restrictions and aircrafts not coming in as frequent, this has caused delays in cargo movement. C.H. Robinson is working on our own charters with our customer's freight to help allow availability to more options, but this is a work in progress.

3.16.2020

First and foremost, we hope everyone is staying safe and healthy across the country. The health of our customers, carriers and employees remain the most critical mission. We also know that supply chains throughout the world play a vital role in reaching consumers during times of need and C.H. Robinson is prepared to step up in any way we can!

During times of crisis it is important that we all understand each other's goals and communicate potential challenges, therefore we want to provide a transportation update regarding the Coronavirus and the potential impacts to the transportation market. Please share this information internally and with key suppliers and customers as you see fit. C.H. Robinson will certainly do our part in communicating with your partners as we come in communication with them. Sorry for the lengthy email, but it is ALL IMPORTANT.

What do we know right now?

- There is going to be disruption. As of today, Monday the 16th, we are already seeing excess demand across our network relative to the available supply. We are still unsure how much disruption will occur throughout the U.S. but we can be sure that with spring demand picking up along with supply decreasing that there will capacity constraints and it will likely get worse before it begins to improve. It will be vital to plan for additional days on inbound material or outbound customer deliveries.
- There is Federal response attached (and details below). The challenge with this situation versus a hurricane for example, is that we are currently unsure where the disruption will occur and what potential lanes /suppliers will be most impacted.

- WHO experts are saying the most vulnerable to the virus are unfortunately boxes that many drivers check off. There will be drivers who will shut down because of this or are temporarily off the road.
- This could potentially push struggling carriers into bankruptcy.

FEDERAL Response Summary

On March 13, the Federal Motor Carrier Administration issued an emergency declaration that impacts Hours of Service rules regulating the trucking industry. While it is common for FMCSA to issue these declarations for loads involved with disaster response (just like in hurricanes and fire response), this declaration may be the most broad declaration they have ever issued. Here is a [link](#) to that declaration.

Current rules are:

- Drivers can work a 14 hour day, 11 hours of which can be drive time under most circumstances.
- Drivers are required to rest for 10 consecutive hours in order to rest their daily clocks, with a few exceptions.
- Once per week drivers need to take a 34 hour restart where they are off duty. (It's actually every 60 or 70 hours per week but think of it as once per week)

Emergency Suspension Details:

- There are six situations covered by the exemption:
 - (1) medical supplies and equipment related to the testing, diagnosis and treatment of COVID-19
 - (2) supplies and equipment necessary for community safety, sanitation, and prevention of community transmission of COVID-19 such as masks, gloves, hand sanitizer, soap and disinfectants
 - (3) food for emergency restocking of stores
 - (4) equipment, supplies and persons necessary to establish and manage temporary housing, quarantine, and isolation facilities related to COVID-19
 - (5) persons designated by Federal, State or local authorities for medical, isolation, or quarantine purposes; and
 - (6) persons necessary to provide other medical or emergency services, the supply of which may be affected by the COVID-19 response.
- The exemption specifically does **NOT** apply to mixed loads that may include covered and non-covered items.
- The exemption specifically **EXCLUDES** "routine commercial deliveries"
- The suspension of HOS rules does **NOT** allow drivers to drive in a condition that endangers the public and they must continue to drive safely and rest when needed.
- It is up to the driver and their company to determine if they are covered by this emergency relief designation. It is our responsibility to properly describe the freight and other aspects of the load that would help in any determination.

Potential Impact by service/mode:

Truckload/flatbed: Could see drivers being pulled out of service. We have also heard that some companies are hesitant to send drivers across country OR to areas that have a higher report of cases (West, Northwest, NY). Additionally, we have had some reports of drivers getting "stuck" at receivers as they closed for Covid-19 and therefore are missing their next pick-ups scheduled.

LTL: So far, throughout our LTL carrier discussions last week, most carriers are trying to operate business as usual. Sales people for LTL carriers have been pulled off the street, and we will likely see some decrease in personnel which could lead to slower processing times. It will be important for us to work closely with terminals to devise plans to best service the needs of customers through LTL networks.

Ocean/air: There is still slow demand as companies/countries are not running at 100%. We are seeing some container shortages because ocean containers are coming into ports as frequently due to the blank sailings. Regarding air shipments, we have seen importers trying to get product quicker, but due to travel restrictions and aircrafts not coming in as frequent, this has caused delays in cargo movement. C.H. Robinson is working on our own charters with our customer's freight to help allow availability to more options, but this is a work in progress.

C.H. Robinson employees will likely be a mix of in office support as well as remote but we are fully staffed and ready to support!

Links to additional resources:

<https://www.cdc.gov/>

<https://www.who.int/emergencies/diseases/novel-coronavirus-2019>

[John Hopkins University Global Cases Tracker](#)

PLEASE LET CHR KNOW IF THERE ARE SPECIFIC PLANS TO CHANGE OPERATIONS OR HOURS AT ANY OF YOUR LOCATIONS SO WE CAN BEST PREPARE ALONGSIDE YOU.

Please stay safe and let us know if there is anything we can help with!



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March 18, 2020

UPDATE: Coronavirus Outbreak

Dear Valued Customer,

We continue to monitor Coronavirus Disease 2019 (COVID-19) globally. We remain fully operational, continuing to service all global and domestic transportation while adhering to government and health regulations. All our locations have business continuity plans and strategies in place to allow our employees to work remotely as the need arises and ensure our customers and carriers receive uninterrupted service. We continue to work closely with our customers on production planning and forecasting as the situation remains fluid.

Here are the most recent updates:

- Ports continue to remain operational across the globe.
 - U.S. West Coast terminals, particularly Southern California, currently has an abundance of chassis and railcar availability.
 - Due to high demand on the U.S. East Coast, there is low availability of chassis and railcars.
- As demand exceeds capacity in Europe and Asia, we continue to work closely with our customers to accommodate their supply chain needs in the fluid environment – including offering air charter services and expedited FCL and LCL programs.
- PSA GP Port Authorities announced Genoa Port, the largest port in Italy, is implementing regulations to stop the spread of COVID-19. The following actions will go into effect immediately –
 - Vessel operations: a maximum of 4 gangs will be deployed per shift
 - Rail operations: a maximum of 1 gang will be deployed per shift
 - Export documentation: the 2nd vessel's acceptance on each service will be subject to the end of the commercial operations on the first vessel of the same service. There is currently no limitation on imports.
- While details are still emerging, the restrictions on travel across the Canada-U.S. border are not intended to impact commercial activity. We will provide more details as they are released.
- In the U.S., we may see additional empty miles due to the evolving irregular patterns of freight movement. Some corridors will experience greater tension and price pressure than others, as we are already seeing meaningful volume growth above historical norms in a few regions. Carriers and drivers remain committed to hauling freight throughout this ever-changing situation.
- We continue to see volume surges in the South East (U.S.) and now expanding into the Midwest and Texas. Volume increases are primarily occurring in areas that produce products currently in high demand – including cleaning supplies, food & beverage and sanitary items.
- U.S. truckload route guides are currently being tested on freight originating in the South East. Capacity remains tight to California.
- As local and state trucking rules are adjusted, we encourage you to view the latest updates in more detail [here](#).

Continued on the next page

Our information is compiled from a number of sources that to the best of our knowledge are accurate and correct. It is always the intent of our company to present accurate information. C.H. Robinson accepts no liability or responsibility for the information published herein.



- Additionally, Robinson Fresh, a division of C.H. Robinson, is actively communicating with growers, steamship lines, forwarding/customs agents and ports to remain aware of situations and current conditions. Currently Robinson Fresh has not experienced any delays related to global supply chains.

Links to additional resources:

- [WHO](#) updates and [CDC](#) updates
- [CBS News](#) update and [BBC News](#) update
- [COVID-19:Implications for business](#) (McKinsey & Company)
- [Global Cases](#) (Johns Hopkins CSSE)

We will continue to monitor the situation and provide updates as needed. For previous advisories, please visit our Client Advisory page on our website. Here is a direct link to the most recent update:

3/16/2020 – [UPDATE: Coronavirus Outbreak](#)

Thank you for being our Valued Customer. If you have any questions, please do not hesitate to contact your C.H. Robinson commercial representative for further information.

Sincerely,
C.H. Robinson

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COVID-19 state & provincial notices

| State/Province | COVID-19 notices and orders – full details below chart |
|----------------------|--|
| Alabama | <ul style="list-style-type: none"> • Extension on motor vehicle registration, property taxes • Temporary waiver of IRP/IFTA |
| Colorado | <ul style="list-style-type: none"> • Vehicle registration, renewal fees waived |
| Connecticut | <ul style="list-style-type: none"> • Temporary waiver of IRP |
| Delaware | <ul style="list-style-type: none"> • Vehicle registration, drivers license fees waived |
| District of Columbia | <ul style="list-style-type: none"> • Drivers license, IDs, vehicle registration and inspections expiration date extended |
| Florida | <ul style="list-style-type: none"> • HOS waived on emergency relief loads • Size, weight restrictions relaxed – permit information below • Enforcement on registration requirements suspended • Suspend enforcement of IFTA/IRP • Drivers licenses set to expire in next 30 days get a 30-day extension |
| Georgia | <ul style="list-style-type: none"> • HOS waived on emergency relief loads |
| Illinois | <ul style="list-style-type: none"> • DMVs closed; DL, registrations expirations extended 30 days |
| Iowa | <ul style="list-style-type: none"> • IRP/IFTA requirements suspended for relief loads until April 16 |
| Kentucky | <ul style="list-style-type: none"> • HOS waived on emergency relief loads • IRP waived for certain loads • Weigh station stops waived • Permit fees for oversize loads waived • Registration and licensing requirements waived |
| Labrador | <ul style="list-style-type: none"> • IRP registrations expiring in March, April and May extended to May 30 |
| Louisiana | <ul style="list-style-type: none"> • License plate expirations after March 9 extended to May 10 • Late fees waived • IRP registrations expiring March 31 extended to May 31 |
| Maine | <ul style="list-style-type: none"> • IRP/IFTA enforcement suspended for 30 days • All DMV offices closed |

| State/Province | COVID-19 notices and orders – full details below chart |
|----------------|--|
| Maryland | <ul style="list-style-type: none"> • IRP enforcement suspended until further notice • DMV closing walk-in transactions. |
| Michigan | <ul style="list-style-type: none"> • Weight restrictions lifted • Welcome center lobbies closing |
| Missouri | <ul style="list-style-type: none"> • IRP, IFTA, trip and fuel permit requirements suspended • Weight allowances increased |
| Nevada | <ul style="list-style-type: none"> • IRP/IFTA temporarily suspended – copy of waiver (below) required • DMV offices closing March 20 • No citations issued to March 31 expired vehicle registrations until further notice |
| New Foundland | <ul style="list-style-type: none"> • IRP registrations expiring in March, April and May extended to May 30 |
| New Jersey | <ul style="list-style-type: none"> • Drivers license, IDs, vehicle registration and inspections expiration date extended |
| New Mexico | <ul style="list-style-type: none"> • DMVs to operate by appointment only |
| North Carolina | <ul style="list-style-type: none"> • HOS waived on emergency relief loads • Size, weight restrictions waived • DMVs closed |
| Nova Scotia | <ul style="list-style-type: none"> • IRP registrations expiring in March, April and May extended to Aug. 31 |
| Ohio | <ul style="list-style-type: none"> • HOS waived on emergency relief loads • IRP enforcement on permits expiring after April 18 suspended indefinitely |
| Pennsylvania | <ul style="list-style-type: none"> • Rest areas closed • DMV closed • Drivers licenses set to expire before March 31 now expire April 30 • Vehicle registrations set to expire before March 31 now expire April 30 |
| Rhode Island | <ul style="list-style-type: none"> • DMV canceling all road tests • Licenses and registration set to expire in March extended 30 days |

| State/Province | COVID-19 notices and orders – full details below chart |
|----------------|---|
| South Dakota | <ul style="list-style-type: none"> • DMV offices closed until March 23 |
| Texas | <ul style="list-style-type: none"> • Size and weight restrictions lifted • 30-day extension to obtain license, registration, vehicle title |
| Vermont | <ul style="list-style-type: none"> • License and registration renewals extended 90 days |
| Virginia | <ul style="list-style-type: none"> • HOS waived on emergency relief loads • Size, weight restrictions lifted • License and registration requirements extended to April 12 • DMVs closed from March 18 to April 12 • Licenses, vehicle registrations extended 60 days |
| Washington | <ul style="list-style-type: none"> • HOS waived on emergency relief loads • DMVs closed tentatively until March 23 • IRP, IFTA, trip and fuel permits waived |
| Wisconsin | <ul style="list-style-type: none"> • COVID-19 relief supply permits to waive HOS, size and weight limits |