

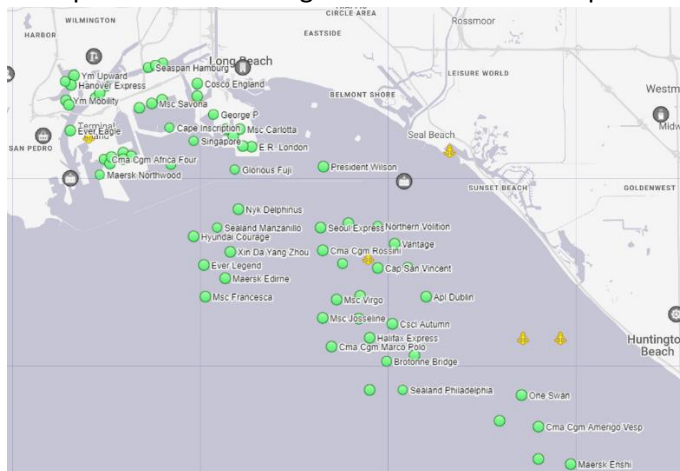
The global shipping market is fighting an uphill battle, not unlike the rest of the world. COVID-19 has created mass disturbances and chaos and we are only now seeing the true impact. International demand for freight exceeds the current capabilities of the world-wide supply chain. Problems range from equipment and space shortages to schedule inconsistencies; all players are affected by what is the new COVID shipping pandemic.

For the U.S., the logistical infrastructure was already barely stable even prior to the onset of COVID. The reactionary shutdown of major labor workforces to protect the safety and well-being of workers further broke down the assembly line of logistics. We now see a high demand in place for truckers, warehouse workers, longshoremen, etc. and in turn for shipping equipment - all key components in maintaining the flow of goods into and out of the country.

Now that COVID has fully taken hold, U.S. ports are running at 90% or higher capacity. Ports and rails have no space remaining to put containers. They cannot stage for exporting vessels and have no space to store import containers trying to discharge. This counterproductive problem is creating mass congestion at ports leading to longer processing times, especially for drivers. Truckers are starting to charge for additional wait time at ports, driving up costs. In extreme cases, some truckers are abandoning cargo for both imports and exports. The worst impacted areas in the U.S. are being reported as Los Angeles/Long Branch and New York. Below is a breakdown of specific timeline extensions and major issues in these areas.

### Los Angeles/Long Branch

- There are more than 40 ships at anchor waiting to berth at LA/ LGB as of Friday, January 10<sup>th</sup> (see image below – green dots each represent a vessel)
- All terminals are expected to remain congested until late February
- Most terminals are understaffed and are dealing with COVID related shift issues affecting turn-around-time for truckers, inter terminal transfers, and appointments for gate transactions
- Rail Operations in Long Beach can be extended up to 10 days
- Rail operations in Los Angeles can be extended up to 18 days





### **New York/New Jersey**

- Multi-day delays are expected at Maher Terminal and APM Terminal due to berth congestion
- Crewmembers are mandated to be tested for COVID prior to bringing the vessel to dock, creating longer wait times
- Dwell time has increased in response to the spike in imports
- Gate turn times for truckers has increased as a direct result of COVID restrictions and policies

The issues that these two major ports are facing is not uncommon for other major ports around the U.S. Overall, import delays will cause export vessels to be delayed as well. It is not unheard of that shipments are rolled to a different working vessel or a projected vessel to accommodate space issues. In extreme cases vessels can be canceled altogether. Though this is uncommon, it may be a reality for exports to areas in Asia that are seeing the most congestion. Terminals are not the only bottleneck in the equation. Rails are operating but have new weight restrictions and limits that are affecting timelines and pricing as well. This, paired with the worker shortage found in all aspects of shipping, is creating a national issue in the transportation of goods. See below for other major delays and difficulties.

### **U.S. Port Congestion**

- Savannah has 8+ vessels waiting to berth
- New York is currently seeing a 5 day delay to berth
- Los Angeles / Long Beach is currently seeing a 3 – 4 week delay to berth
- Oakland is currently seeing a 1-3 day delay to berth as well as dealing with heavy labor shortages
- Seattle is currently seeing a 1-3 day delay to berth as well as operating at 100% capacity
- Prince Rupert is currently seeing a 4-5 day delay to berth as well as operation at 110% capacity
- Vancouver's anchorage is full, with a waiting period of 5-7 days to berth as well as operating at 100% capacity

### **Chassis Pools**

- Chassis availability is becoming extremely limited
- Issues can be found mostly in the North East, West Coast and Gulf States
- Price increases are being experienced across the board



## Railway Congestion

- Halifax, CA - 11 day delay
- Montreal, CA – 9 day delay
- Vancouver, CA – 16 day delay
- New York, NY – 10 day delay
- Charleston, SC; Savannah, GA; Norfolk, VA; Kansas City, MO; Chicago, IL; Memphis, TN; Council Bluff, IA; Detroit, MI – all 7-9 day delay

While most of the current situation is out of Rose's control, we are working hard to ensure all are being provided with the best customer service and prices available. Because of our team's good standing with all major steamship lines, we are working hard to ensure that all of our partners have confidence in their bookings and be sure their cargo is in good hands. The staff at Rose is continuing to work remote minimizing risk of exposure, as well as always being able to provide communication for all shipping needs. Please feel free to reach out to us with any questions or concerns about the current U.S. climate, and we will be happy to shed light on the situation at hand. Though times are tough for all, we wish everyone good health and well-being as we tackle the problems seen around the world.

