

August 14th, 2020

## Network Status Update

### To Our Valued Business Partners,

Western Canadian ports (Prince Rupert and Vancouver) remain backlogged due to high cargo volumes and on-going car shortages.

This is a fluid situation with significant changes occurring quickly, and we will continue to provide updates as these impact our supply chain.

### North American Network Status Update **(August 14th updates in red below)**

<b>Operation</b>	
<b>Localities</b>	No local/state regulatory restrictions impacting the transportation network.
<b>Labor</b>	Thorough equipment cleaning and physical distancing continues at ocean terminals. No significant impact to production.
<b>Shipper Warehouses</b>	No notable restriction in customer cargo acceptance and devanning of containers.
<b>Terminals</b>	Cleaning and physical distancing processes remain in place with no significant impact on terminal operations
	<b>Montreal</b> - As of August 10 <sup>th</sup> , the indefinite work stoppage at the Port of Montreal has resulted in the suspension of services and handling of goods to and from the port. Vessels have been diverted to Halifax. ONE has assurances from Cerex/Halifax terminal and CN that regular calls like ours will be given priority over diverted cargo.
<b>Railroads</b>	No major impediments impacting rail flows in NA.
	<b>West Canada</b> - Import rail dwell in Vancouver and Prince Rupert remains high (over 5 to 8 days). Although railcar supply has increased and is expected to be steady, the existing backlog combined with strong volumes continuing will most likely prevent the terminals from catching up until mid-October after import volumes subside.
	<b>Council Bluffs</b> – UP made a change to their train plan serving Council Bluffs from LA in June. The change ended up adding transit times due to missed connections. As of Friday August 14 <sup>th</sup> UP has reinstated the original train plan to resolve the service issues in this lane.
	<b>Chicago</b> – Growing import and export volumes into Chicago combined with about 15% to the Global 4 workforce not returning to work there to create backlogs which resulted in 3+ day delays working and deramping trains towards the end of last week. The ramp then lost power on Monday due to the storm which raced through the region. Power was out 24 hours and UP is

	current on import trains but still facing export backlogs. Export backlogs will take through the weekend to clear.
<b>Trucking</b>	No notable supply, regulatory or operational concerns at this time.
<b>Vessel Operations</b>	<p>Vessels continue to face enhanced USCG, CBP, Transport Canada, and CBSA crew protocols related to Covid-19. Recrewing of vessels remains a challenge globally and in NA. ONE is working closely with vessel owners to support recrewing of long tour crewmen.</p> <p><b>West Canada</b> - Vessels are still being held out regularly from Vancouver and Prince Rupert terminals due to the rail backlog impact on yard space. We expect this to continue into mid-October as the backlogs are worked down due to better railcar supply.</p> <p><b>New Orleans</b> – Last week high winds moving through New Orleans broke a vessel off its mooring at New Orleans Terminal which then damaged 2 of 6 cranes there. With another crane inaccessible and one down for maintenance, only 2 of the terminal cranes are operational. Vessels are being delayed 4 to 7 days. ONE’s CR Canada has been diverted away and will be transshipping its NOLA cargo at Cartagena. THEA is considering additional diversions to avoid the vessel backlog.</p>
<b>Depot Network</b>	Depots are mostly operating as normal. Empty inventories are adequate to tight (depending on location) with no empty receiving restrictions in place nationally.
<b>Chassis</b>	Chassis supply remains very tight in Southern California due to high demand. The industry is experiencing spot shortages at various terminals throughout the course of the week. POP chassis providers are working to improve the supply by accelerating repair of out of service equipment and injecting more equipment into the pool. ONE is working closely with our provider FV to secure equipment for high profile customers and cargo
<b>ONE Network Map</b>	<p>Follow below hyperlink to view local conditions in ONE’s NA Network:  <a href="#">North America Network Map</a>  <b>***NOTE: eCommerce Login Required</b></p>
<b>ONE Terminal Calendar</b>	<p>Follow below hyperlink to view ONE’s terminal closure calendar:  <a href="#">Terminal &amp; Depot Gate Calendar</a>  <b>***NOTE: Google Login Required</b></p>

Sincerely,

Ocean Network Express (North America) Inc.