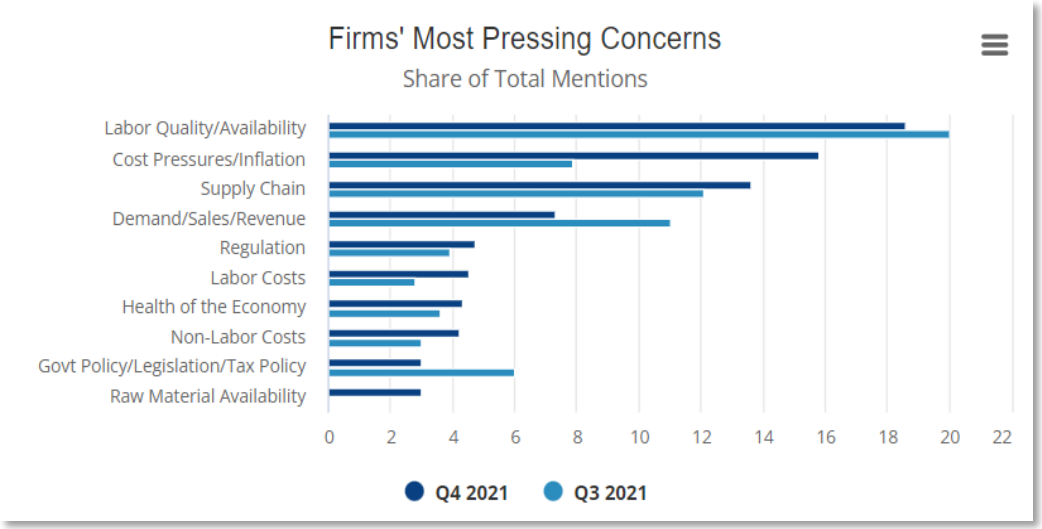
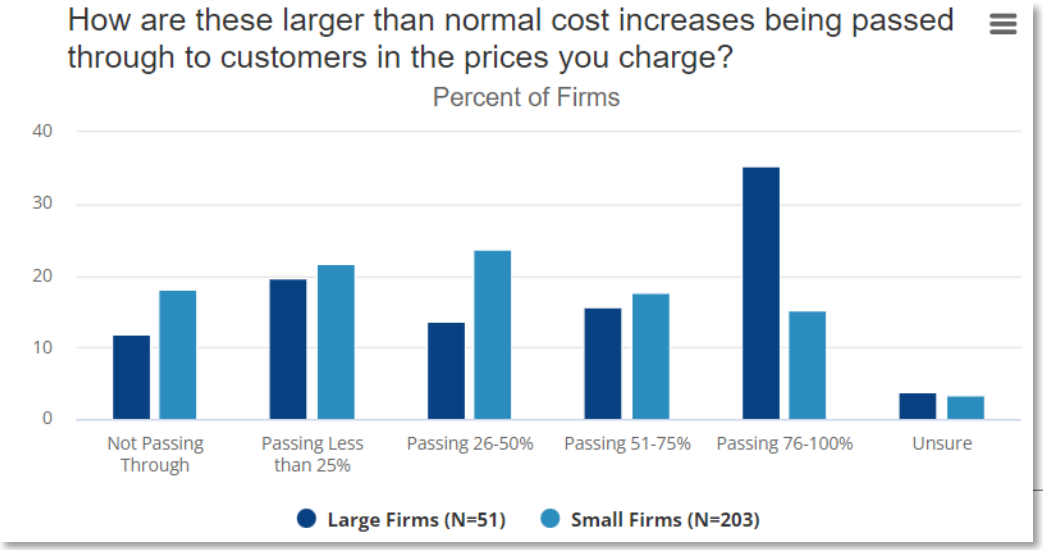
Logistics Market Trends
December 2021

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Disruptions Impact P&L





CFO Survey Q4 - *Duke Univ Fuqua/Fed Reserve Banks Richmond & Atlanta (12/2)*

- 71% optimistic their firm, 60% US econ.
- Strong rev. 2021, forecast rev. growth 2022
- Labor #1 issue, Inflation #2, Supply Chain #3
- Inflation vs Sales rev. inverse Q3 vs. Q4
- Majority expect inflation > 10 months
- SMB less likely, slower to, lesser extent pass input cost incr. to customers vs. large co.
- Disrupt cut rev. 5%; SMB's 7% *(Q3)*
- Wages up 4.3% (Nov) – *Atlanta Fed (12/10)*
- Companies bake in inflation, forecast 3.9% incr. payroll 2022 *(2008) - Conf. Board Survey (12/8)*
- Consumer Price Index (Nov) 6.8% *(1982)*
- Producer Price Index (Nov) – 9.6% *BLS (12/14)*
- Core CPI – 4.9%; Core PPI – 7.7% *BLS (12/10)*
- PPI feeds CPI; PPI driven by input costs

Inflation & shortages persist thru 2022

Supply Chain Microcosm

John N. Hansen Co (Petaluma, CA) – *WSJ.com (Dec 7)*

- Toy manufacturer & distributor

- 2 inbound containers sourced via Hong Kong
- 1 container - 26,000 chess & backgammon sets for holiday sales
- 1 container - mini slot machines; other games for casinos
- Depart Hong Kong (mid Aug) on Klinka ship (30-40 days on water)
- Ship arrived, anchored 54 days offshore LA/LB
- $27,000 fee per container, 10x times price a year earlier
- Raised end-customer prices 10%, does not cover rise in input costs
- Received 1 container (late Nov); 1 still stuck in enclosed area, incurring fees – missed booking revenue in 2021
- “Mom-and-pop stores are going to bear the brunt. A lot of the big guys knew this was coming—and secured goods early.” – JNH, CEO

HANSEN
A Game Gift & Toy Company

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FBX Daily Index



Asia-West Coast Routes

- Up 7% month over month
- 3.8x greater than same time last year.

Expect bullish rates to continue

- Demand to remain strong through February – rush to beat Lunar New Year.
- US retailers and shippers continue to focus on building up inventory levels during typical slow season.

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Container Ship Bunching

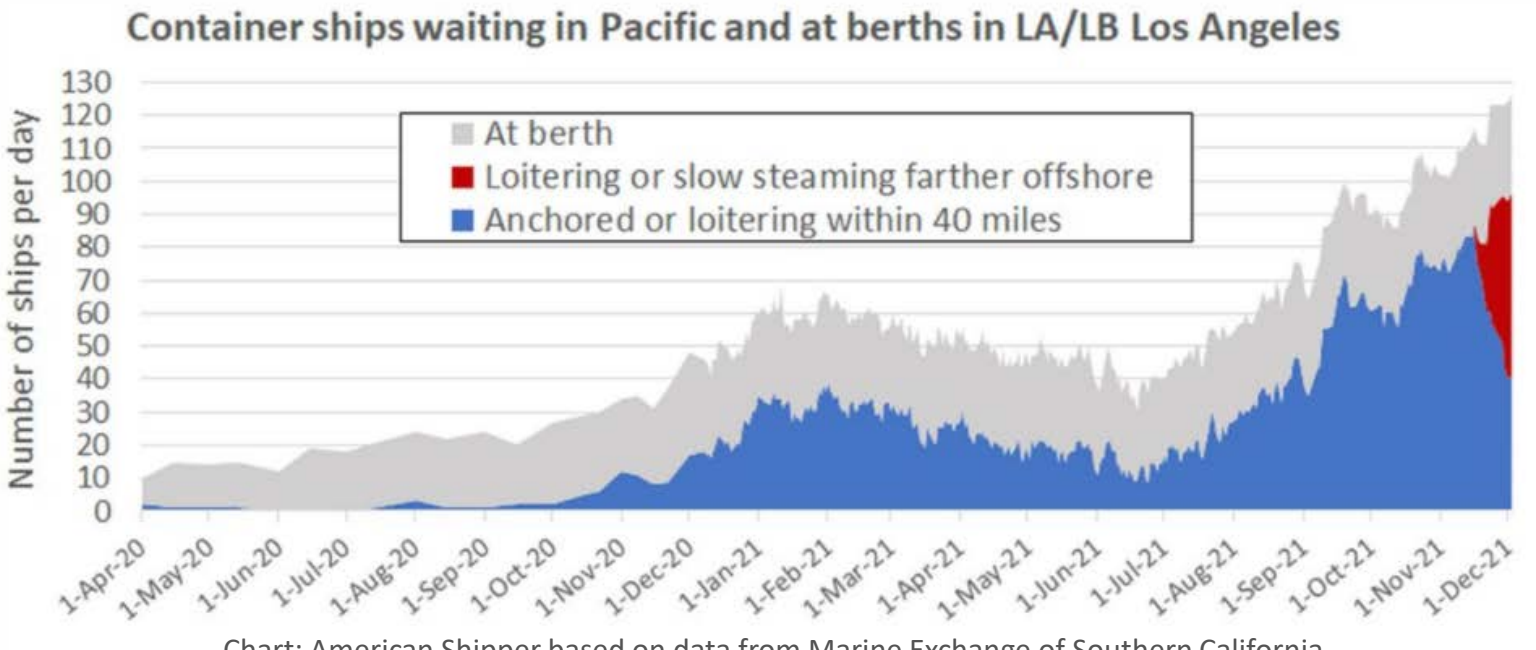


Chart: American Shipper based on data from Marine Exchange of Southern California

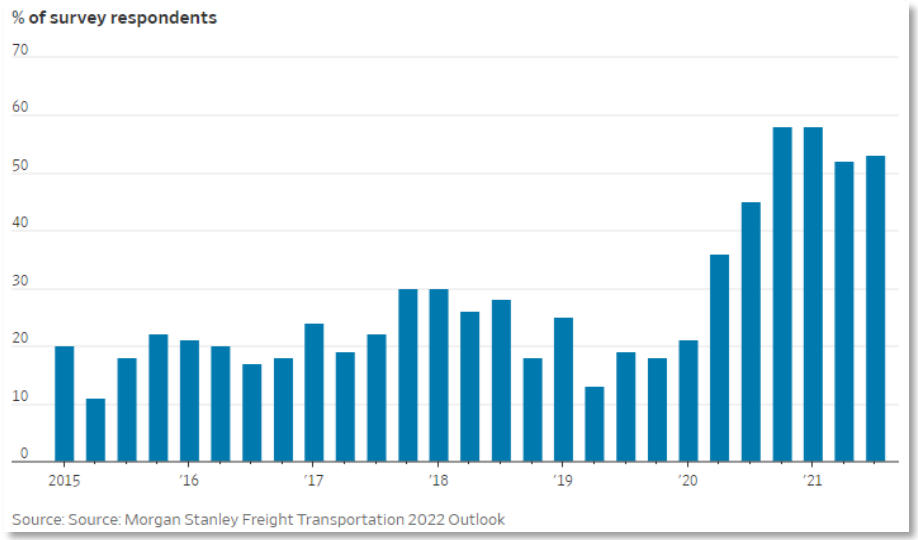
New method counting container ships waiting outside the 40-mile "in port" zone (Safety & Air Quality)

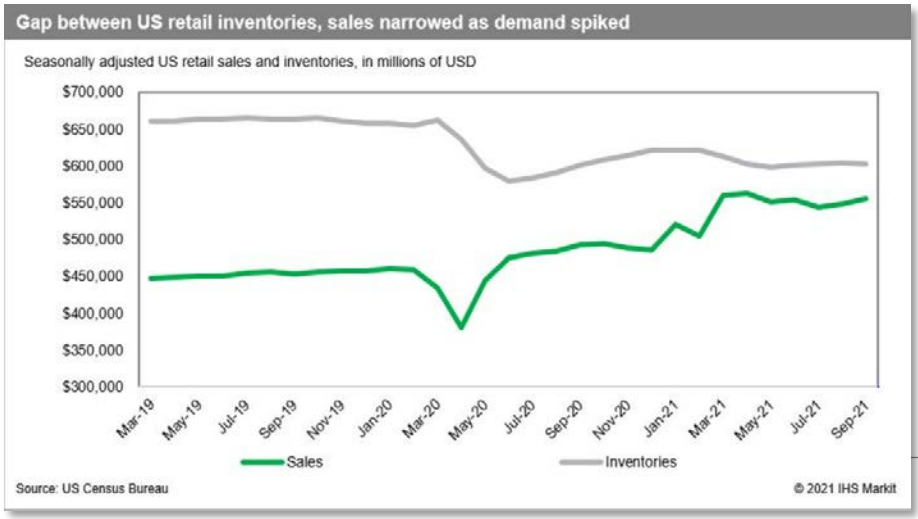
- 92 ships offshore, 28 at terminal, total 120 (12/8)
- 96 ships offshore, 31 at terminal, total 127 (*12/5*) – All time high
  - Up 29% (Nov), 41% (Oct)
  - 96 ships = 732K TEU's / Avg. TEU = $44K worth of goods - $32B merchandise on water

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Demand Pacing Inventory

Companies Increase Inventory





Companies race to capitalize on demand

- US GDP 7.1% rate Q4 beating 4.4% forecast – *US Markit / JOC.com*
- Q3 GDP expansion rebounds Q3' 2%
- Companies ordering/pull forward of goods, contributing to LA/LB log jam
- Availability = Capability
- Customer backorders increasing
- Data + Capacity/Capability = most likely to win
- 55% increasing inventory levels, up from 20% - *Morgan Stanley Freight Trans. 2022 Outlook*
- National warehouse vacancy rate Q3 record-low 3.6%, LA/LB 1%
- Total US business inventories year-over-year up 7.5% (Sep & Aug), 7.1% (Jul) – *US Census Bureau*

LBCT Update



Third berth at Long Beach Container Terminal (LBCT) to fully open in mid-December.

- Will add capacity and help reduce vessel bunching in So Cal.
- Able to handle three mega-ships at one time - Will increase port's overall capacity by 11%.

LBCT ready to handle more rail traffic

- Completion of new on-dock rail yard – increases capacity by 35%
- BNSF increasing number of trains and rail cars deployed to LBCT.

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North American Chassis Mfg.

Restarting Operations

- Previously discontinued chassis manufacturing, could not compete with China prices
- Chinese made chassis priced out of the market in 2019 (Trump tariffs, antidumping and countervailing duties).
- North American Manufacturers forced to quickly hire and build new production lines.



Running into production delays

- Delays with acquiring subcomponents of chassis (air tanks, axles, suspension system, etc).
    - Air tanks taking 20-22 weeks, previously about 4-week lead time.
- Orders placed this year likely wont deliver until mid 2022.

Still making progress.

- Stoughton – On pace to produce 10,000 chassis this year – planning for 25,000 in 2022.
- Pratt - Produced 700 chassis in 2020, on pace to build 4,000 chassis in 2021.

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Railroad Capacity Out West?

BNSF, Union Pacific Railroad no longer limiting West Coast container movements

- "Metering" efforts successful
- Heavy congestion has eased in major hubs (Chicago, Dallas, Kansas City, Memphis)
- Encouraging shippers to ship more containers by rail from West Coast

Shippers still transloading more to trucks

- Need faster transit times of goods
  - Delivery to stores / warehouses in time for holiday season.
- Less incentive if Container Dwell fee take effect
  - Applies after six (6) days for rail, have up to nine (9) days by truck.
  - Port to charge $100 per day, per container.
  - LA/Long Beach Container Dwell fees delayed again – now scheduling to take effect 12/20.

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ILWU Contracts Negotiations

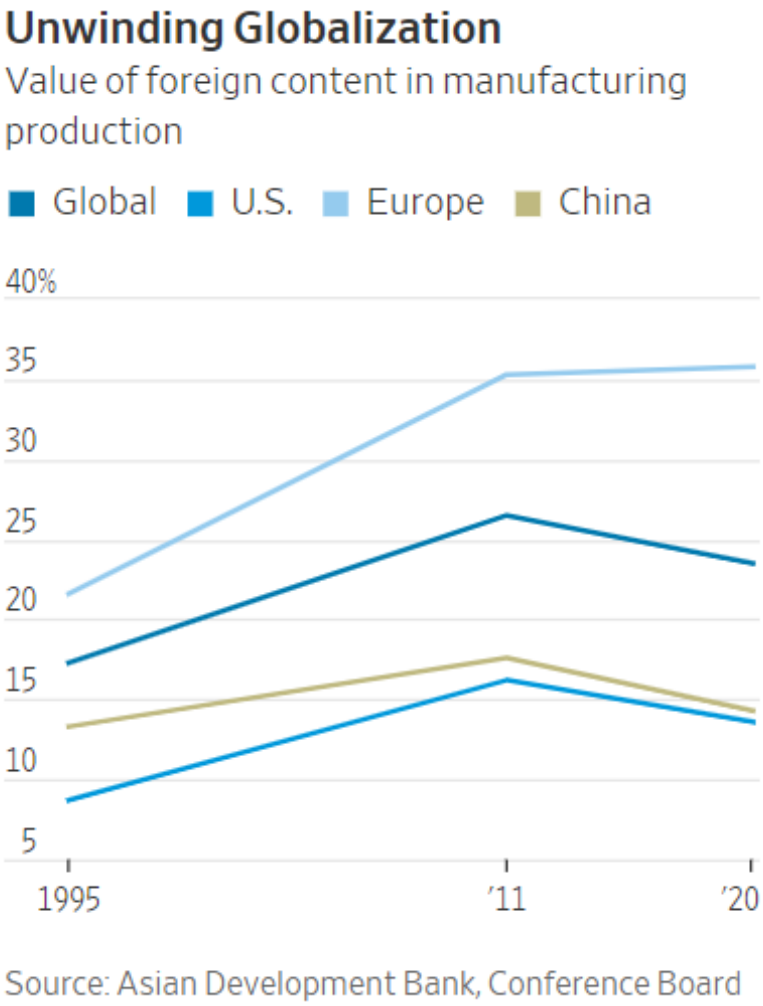
International Longshore and Warehouse Union (ILWU)

- Current contract expiring July 2022
- Last agreement set in 2019 – was extended for three more years
- Union represents 22,400 dockworkers, covering from Washington to Southern California - 29 ports in total

Pacific Maritime Association

- Represents 70 ocean carriers and terminals at 29 West Coast ports.
- Proposed extending agreement with ILWU for one year (until July 1, 2023) with goals of preventing disruptions further wreaking havoc on the supply chain.
- ILWU rejected the offer, expect talks to begin in spring 2022.
- Automation and benefits (wages and pension) are expected to be key focus points of negotiation.
    - Union officials oppose automation as it takes away jobs.
    - Only 2 of the 13 So California terminal use robotics extensively.
    - Terminals have little room for expansion and would rely on automation to increase capacity up to 50%.

Increasing Domestic Freight Vol.



Globalization low price created risk

- Supply chain disruptions & bottlenecks
- Control & capability over low cost
- Companies move production to Americas, eliminate vulnerabilities
- Shorten supply chain, at a cost
- Incr. production costs passed to consumer
- Biden admin seek bring back supply chain for critical products incl. semiconductors, pharmaceuticals, rare-earth minerals
- "Policies that people will describe as protectionist are going to be necessary in order to create the appropriate incentives to produce things at home," Yellen (12/6) - *The Financial Times*
- ***Near shore manufacture (transport) product otherwise done overseas increases future US domestic freight volumes***

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Commercial Driver Shortage

Driver shortage currently 80,000, forecast 160,000 by 2030.

- 3.6M commercial drivers, avg. age 55
- Must be 21 to obtain CDL, 3-years removed from high school graduate (non college)
- Losing skilled workers to alternative trades due to mandate & regulations
- Women 47% US workforce, 6% of commercial truck drivers
- Spears (ATA Pres.) letter to OSHA / White House demand exemption to company vaccine mandate
    - Truckload Carriers Association (TCA) backs opposition
    - Regulation should be moved to FMCSA, not OSHA
    - 50% of commercial drivers not vaccinated – *ATA survey*
    - Impacts substantial – 25% of drivers would leave workforce, 49% go to smaller carrier

Meet Demand Short Term

- Increase driver compensation
- Decrease CDL age requirement to 18, other regulations
- Diversity in driver base & recruitment efforts!

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Vaccine Mandate Impacts

Occupational Safety & Health Administration (OSHA) pushed the enforcement of the Biden Administrations COVID-19 mandate.

- Was set to take effect on January 4, 2022, now scheduled for February 9th.
- Expect case to eventually be decided by U.S. Supreme Court

Affects companies with 100+ employees

- Will require all employees to be vaccinated or get weekly tests/wear masks
- Companies would face $14,000 fine for every violation.

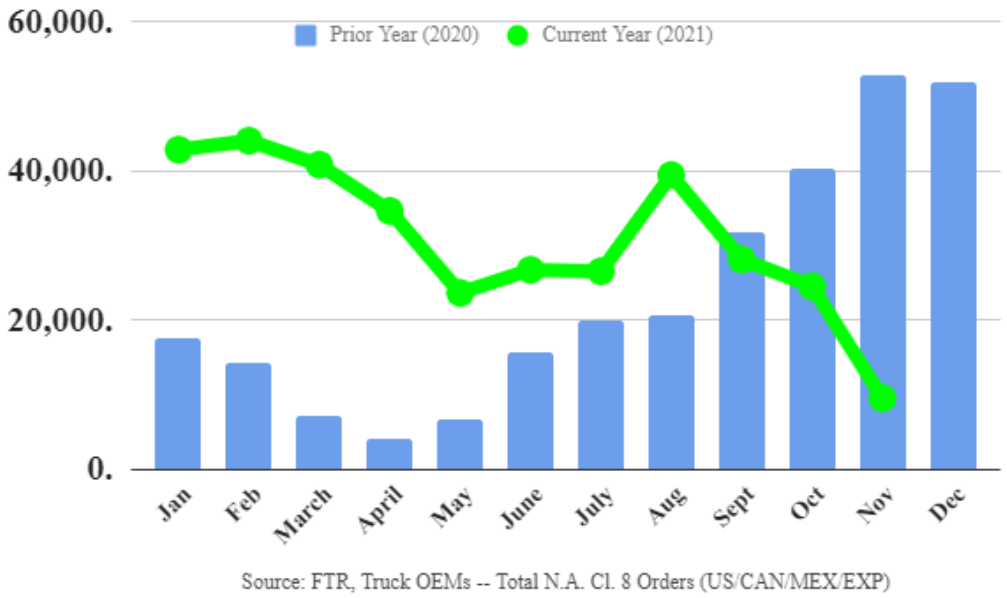
Expected to impact 84 million workers - Many state they will quit if forced to vaccinate, causing more stress to already depleted work force.

Supply chain impacts would be catastrophic

- Estimated 40-50% of drivers were not vaccinated, 37% or drivers say they will quit, retire, or switch job if forced to get vaccinated.
- Industry short 80,000 drivers right now.
- Approx. 3.6 million drivers
  - If as little as 5% leave the work force the shortage will grow by 180,000 drivers
  - If the 37% predicted leave that will result in 1,332,000 drivers exiting.

Adding Truck Capacity, Slowly

New Class 8 Truck Orders



Source: FTR, Truck OEMs -- Total N.A. Cl. 8 Orders (US/CAN/MEX/EXP)

Upward pressure on freight rates through 2022

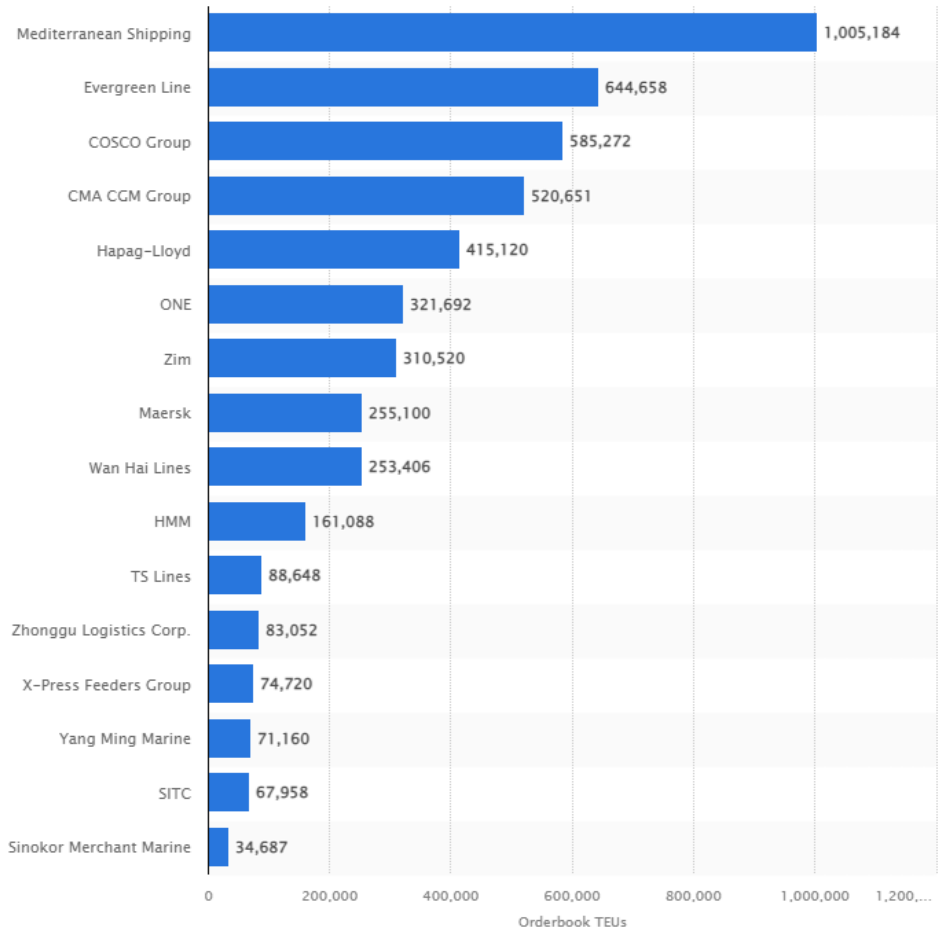
Supply, Not Demand, Dictating Order Activity

- Class 8 orders 9,500 units (Nov) – *FTR*
- Down 82% year-over-year (Oct), 41% (Nov)
- Lowest Nov orders since 1995
- Demand indicators ***contrast*** equipment shortage, capacity constraints
  - Freight volumes, rates & carrier profits
- OEM's judicious accepting 2022 orders
  - Orders in 2020, est. fill 2021, overbooked
  - 2021 builds slip into 2022, 2022 to 2023
  - Order fill backlog 14 months out
  - Visibility to supply availability, production
  - Rising commodity prices (steel 4x Aug 20)
  - Semiconductor shortage, components
  - Parts, used truck sales soar
- Wabash (NYSE: WNC) dry van trailer build down 25% vs. 2019
- Build time 8 months, down from 13 months (Q1)
- Orders down 69% (Oct 2020)

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Container Ship Capacity

Container Operators Orderbooks (TEU) - *Statista (Nov 30)*



All-Time High

- Asia - US imports up 21% vs. 2019
- Operators making big investment new capacity
- Orderbook volume 2x since Jan 2021
- 381 ship orders in 2021 record (*BIMCO Aug 26*)
- Total orderbook 5.3M TEU
  - Up from 2.5M TEU Jan 2021
  - Record is 6.8M TEU (Jul 2008)
- 1.5M TEU delivered 2023 & 2024 – *BIMCO*
  - Record 1.66M (*2015*)

Not Helping Capacity

- Global shippers incl. IKEA, Amazon, Michelin, Unilever pledge only use shipping providers powered by zero-carbon fuel by 2040

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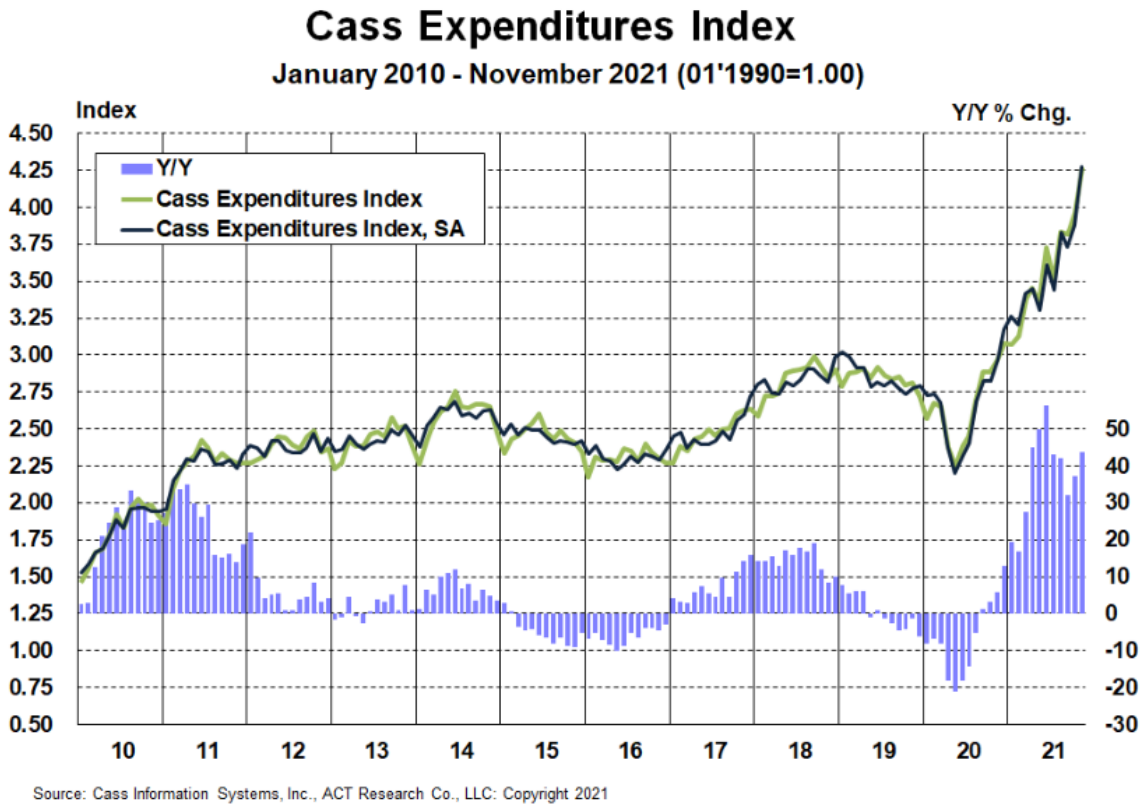
Cass Information Nov Index

Shipment count 4.5% YOY

Freight expenses (Nov) up 44% year-over-year

Length of haul increase

Implied freight rates (freight costs/shipments) **up 38% YOY**



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Market Challenging Shippers

Some shippers still treating logistics as a Purchasing Function

- Still view trucking as a commodity
- Issue RFPs without vetting out carriers.
- Push for low price which often produces lower quality / service.
    - Further reducing customer experience.

Shippers have lack of leverage in the market

- Many holding off on RFPs for another year (or two) until market stabilizes
- Working closer with carriers that perform well
    - Protect their business, help reduce larger increases.

Shippers encouraged to collaborate with carriers

- Better planning during the heavier shipping times.
    - Sudden spikes in outbound orders very difficult for carriers to take on.
    - Notify carriers in advance if that is expected
    - Use off hours to try and organize pickups.
    - Carriers will align better with shippers that can help be part of the solution.

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Public LTL's Q4 Midterms

ArcBest (NASDAQ: ARCB)

- Rev per day up 24% year-over-year (Nov). Follows a 20% rev increase (Oct)
- Tonnage up 7% year-over-year (Nov)
- Rev per hundredweight (yield) up 16% (Nov). Follows 18% (Oct)
- 86.7% Operating ratio
- 6.9% General Rate Increase / GRI (mid Nov)

Old Dominion Freight Line (NASDAQ: ODFL)

- Rev per day up 29.9% year-over-year (Nov); down from 35.7% (Oct)
- Tonnage per day up 11.5%; down from 16.4% (Oct)
- Rev per hundredweight (yield) up 16.6% (Nov); 16.6% (Oct)
- 21% year-over-year employee count Q3
- 2021 full-year operating ratio forecast 74%

SAIA (NASDAQ: SAIA)

- Tonnage up 9.3% year-over-year (Nov); 9.7% year-over-year (Oct)
- Average shipment weight 1,413 lbs (Nov 21) compared to $1,341 lbs (Nov 20).
- Expands Georgia operation – opens new terminal in Calhoun, GA – adding needed capacity to northwest Atlanta market.

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Public LTL's Q4 Midterms

Knight-Swift Transportation (NYSE: KNX)

- Acquires LTL carrier Midwest Motor Express ($150MM) est. 1918; follow $1.35B acquisition AAA Cooper
- 33 terminals (800 doors) throughout Upper Midwest and Northwest
- 460 tractors, 930 trailers and 800 employees
- $137MM rev; $27 million in adjusted EBITDA
- Missing rust belt, northeast & west coast to fulfill mission of national LTL carrier

Central Freight Lines

- Shutting down after 96 years - largest trucking business failure since New England Motor Freight and Celadon closures in 2019.
- "Too much debt and too many unpaid bills" - CFL Source
- Ceased picking up new shipments on Monday 12/13 with expectation to deliver all freight in their system by Monday 12/20
- 2,100 employees; 1,325 drivers; 1,600 power units; 65 terminals.
- 21st largest LTL carrier in North American in 2021.
- CEO – Jerry Moyes, part owner of Knight-Swift
- Moyes informs Estes Express looking to add many of Central drivers, made offer on equipment
- TForce Freight, XPO, SAIA also expressing interest
- Lots of unrepresented sales force and shippers - open season

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LTL Carrier Cost Drivers

Famines to Feasts

- Shipper Inventory instantly increased with arrivals of containers/truckloads all at once
- Limited shipping activity followed by a surge of Outbound shipments as customers clear large backorder lists.
    - Very hard for carriers to predict and accommodate.

Length of Haul Increasing

- Shippers unable to source from local vendors, now bringing in from across the country.
- Carrier length of haul increases
    - Linehaul has the highest cost for carriers due to driver shortages
        - Increase in purchased transportation at higher costs.

Southern California Backlogs

- No carrier is immune
- West Coast and National carriers seeing spikes in shipments
    - Experiencing linehaul delays and imbalance with trailer positioning
- Importers shifting to East Coast ports
    - East Coast regionals and National carriers experiencing the same issues….

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LTL Carrier Cost Drivers

Overlength Shipments

- Can't stack freight above it – eats up trailer space
- Higher costs for OVR moving in long haul lanes.
- More difficult for dock workers to move.

Double Delivery Costs

- Consignee not able to receive on first attempt
- Poor markings on freight cause order to be delivered short – have to redeliver "missing" piece.

Single Shipments

- Low revenue per bill - Drives up costs for pickup and delivery, creates negated O/R.

Detention

- Extended wait times to get loaded or unloaded.
- Carriers using technology to better track driver wait times at all locations.

Handling Units over 60" in height

- Prevents carriers from being able to stack above.
- Recommend to shippers to keep pallets below 5'

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LTL Carriers Pushing Back

- **LTL Networks overloaded with other mode freight.**
  - Large Parcel shipments – shipped loose in the LTL network to avoid parcel surcharges.
  - Extreme Overlength Freight – Establishing significant fees to push back to flatbed or truckload market.
  - LTL Large Volume / Capacity Shipments – enforcing high fees to deter shippers from sending through the network.

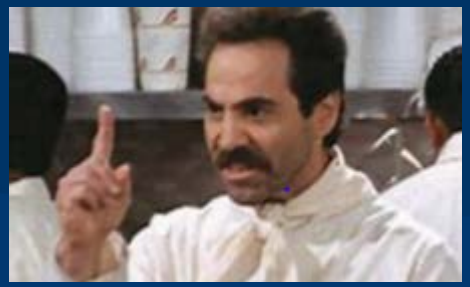
- **Overlength Battle Continues**
  - Carriers started pushing back after ODFL $1000 Overlength fee announcement to non Contracted shippers.
    - Carrier feared that they would take on the shedding of ODFL's OVR freight.
  - Carriers also concerned with OVR packaging.
    - Designed to "attack other freight"
    - Increases claims on other shipments.
  - Carriers continuing to enforce OVR charges – not willing to budge.
    - Pyle starting at 6'6", Dayton starting at 7"
    - All other carriers starting at 8'
  - Highest charges seen with Smaller, Transactional shippers OR with shipments moving into partnership areas.
  - Some carriers requiring customers to list dimensions on BOLs for OVR freight.
    - Issuing higher OVR charges or Penalty charges for failing to do so.

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UPS & FedEx Parcel

No Refunds for You!

- Eliminated refunding charges for late or missed ground deliveries guaranteed to arrive at specific times (Mar 2020)
- Unprecedented e-commerce delivery demand
- Shippers need to identify, file & fight charges – see process as time consuming
- Millions in refunds go unclaimed
- UPS pushed back next day residential air guarantee from 10:30 to 11:59 (Oct 2021)
- FedEx suspends ALL refunds Nov 1st – Jan 16th (Oct 2021)
- Without financial implication, carriers deliver when most efficient for THEM



Price Increases

- UPS announced annual GRI for 2022 avg. increase 5.9%, effective Dec 26th
- FedEx announced largest GRI in decade for 2022, avg. increase 5.9%
- Surcharge parcels exceeding 50 lbs. moving intermediate to long distances (600 – 1,500 miles)
    - UPS $30.50; FedEx $29.50
- Surcharge parcels exceeding dimensional limits
    - UPS $20.50; FedEx $19.50

Holiday Surge

- Holiday peak parcel demand expected to outpace capacity by 1.3M daily shipments
- FedEx forecasts to deliver 100 million more shipments this holiday season than 2019.
- Cyber Monday alone 32 million packages moving through FedEx global network.
- Holiday sales projected to increase 8.5-10.5% - *The National Retail Federation (NRF)*

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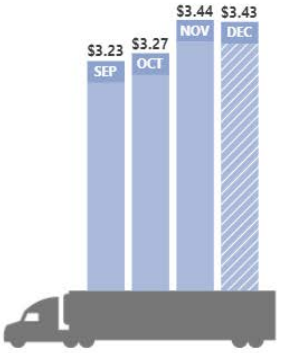
Load to Truck Ratios

- Dry van rates continue to hit all time higher – fourth consecutive month.
- Flatbed market starting to cool off – down 15% since mid-November, rates stay high.
- Reefer prices stay high due to seasonal demand in Arizona (salad production), Florida (tomatoes, strawberries) and Pacific NW (Christmas Trees)

INDUSTRY TRENDS	WEEK DEC 06 - DEC 12 VS. NOV 29 - DEC 05	MONTH NOV 2021 VS. OCT 2021	YEAR NOV 2021 VS. NOV 2020
Spot Load Posts	-13.9%	-9.5%	+41.0%
Spot Truck Posts	+13.1%	+3.6%	+15.8%
Van Load-To-Truck	-30.3%	-7.0%	+15.6%
Van Spot Rates	+1.1%	+2.4%	+19.7%
Flatbed Load-To-Truck	-8.7%	-22.7%	+26.9%
Flatbed Spot Rates	-0.1%	-1.2%	+24.2%
Reefer Load-To-Truck	-34.4%	-0.9%	+27.0%
Reefer Spot Rates	-0.6%	+5.3%	+27.6%







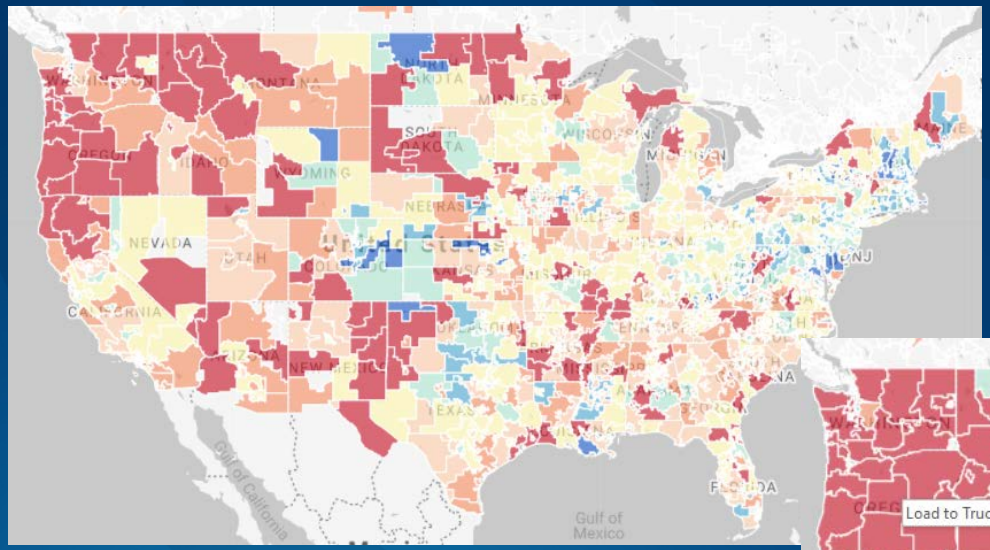
National Spot Rates: Van, Flatbed, Reefer

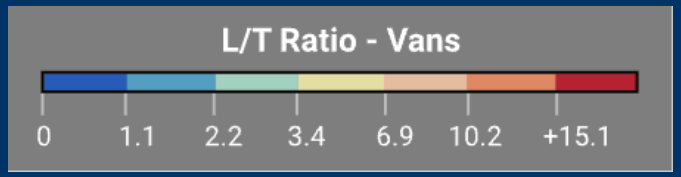
DAT Trendlines™
powered by DAT iQ

Load to Truck Heat Map

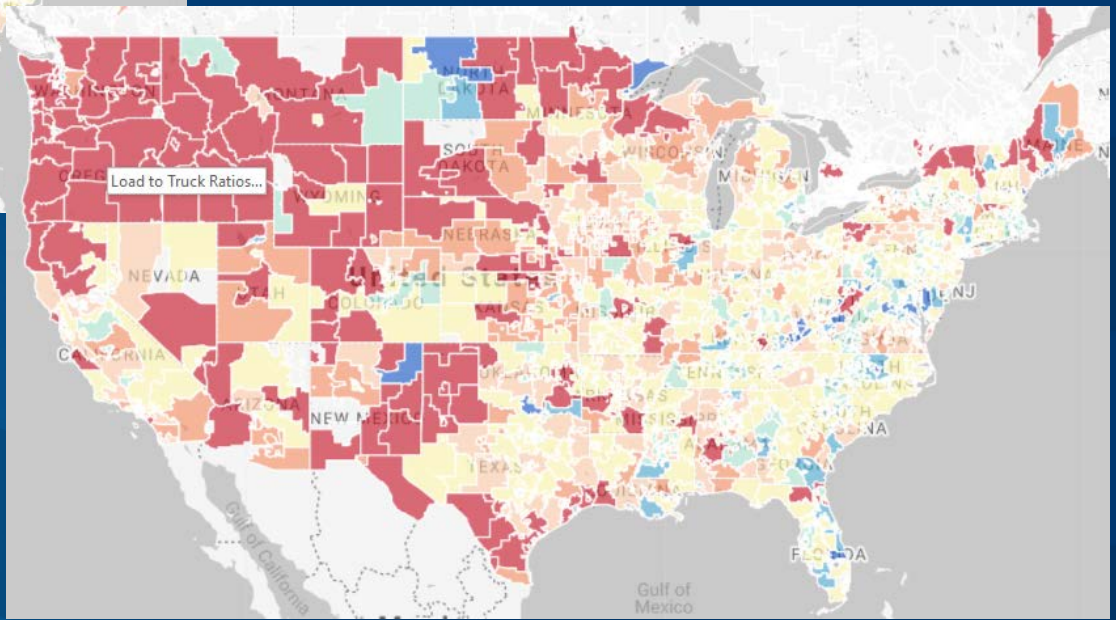
DAT Market Conditions

October 27th to November 3rd





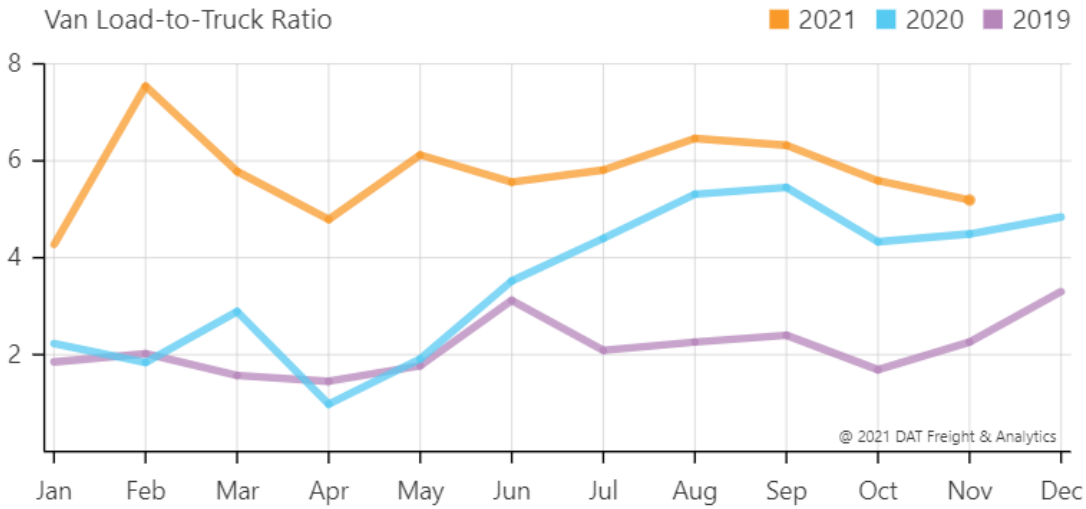
December 8th to December 13th

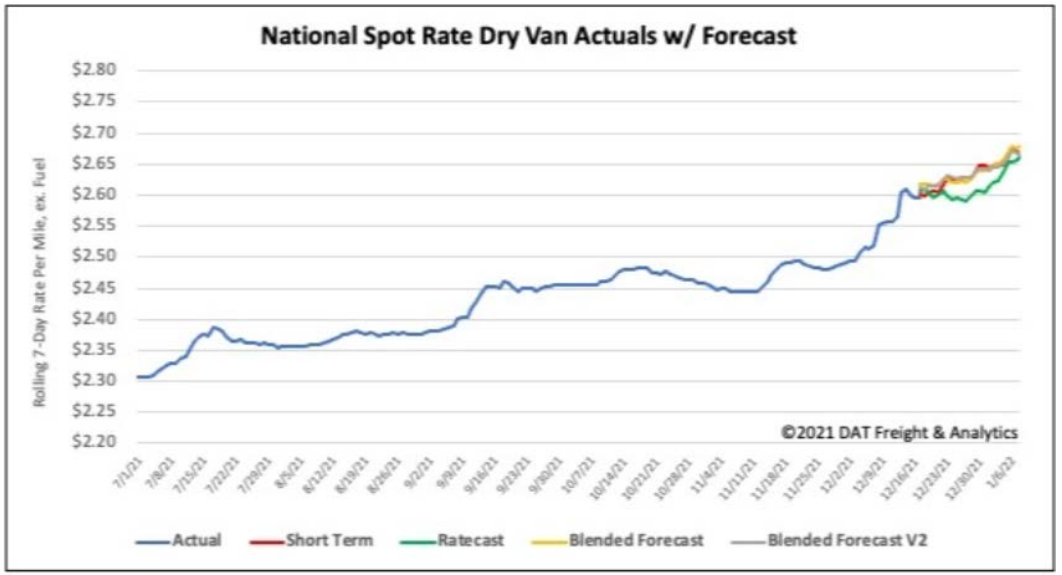


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Dry Van LTR Updates…

- **Freight volumes remain high – fueled by record number of imports and need for inventory replenishment**
- **Significant increase in outbound rates from US pacific northwest ports similar to southern CA and northeast US ports**
- **Dry van rates up 13% from last years, may see slight reduction in Q1 as we exit peak season but will stay high.**





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Fuel Price Update…

Date	Diesel ($ per Gallon)
Jan 07, 2020	$ 3.079
Jan 14, 2020	$ 3.064
Jan 22, 2020	$ 3.037
Jan 28, 2020	$ 3.010
Feb 04, 2020	$ 2.956
Feb 11, 2020	$ 2.910
Feb 19, 2020	$ 2.890
Feb 25, 2020	$ 2.882
Mar 03, 2020	$ 2.851
Mar 10, 2020	$ 2.814
Mar 17, 2020	$ 2.733
Mar 24, 2020	$ 2.659
Mar 31, 2020	$ 2.586
Q1 AVERAGE	**$ 2.882**

Date	Diesel ($ per Gallon)
Apr 07, 2020	$ 2.548
Apr 14, 2020	$ 2.507
Apr 21, 2020	$ 2.480
Apr 28, 2020	$ 2.437
May 05, 2020	$ 2.399
May 12, 2020	$ 2.394
May 19, 2020	$ 2.386
May 27, 2020	$ 2.390
Jun 02, 2020	$ 2.386
Jun 09, 2020	$ 2.396
Jun 16, 2020	$ 2.403
Jun 23, 2020	$ 2.425
Jun 30, 2020	$ 2.430
Q2 AVERAGE	**$ 2.429**

Date	Diesel ($ per Gallon)
Jul 07, 2020	$ 2.437
Jul 14, 2020	$ 2.438
Jul 21, 2020	$ 2.433
Jul 28, 2020	$ 2.427
Aug 04, 2020	$ 2.424
Aug 11, 2020	$ 2.428
Aug 19, 2020	$ 2.427
Aug 25, 2020	$ 2.426
Sep 01, 2020	$ 2.441
Sep 09, 2020	$ 2.435
Sep 15, 2020	$ 2.422
Sep 22, 2020	$ 2.404
Sep 29, 2020	$ 2.394
Q3 AVERAGE	**$ 2.426**

Date	Diesel ($ per Gallon)
Oct 06, 2020	$ 2.387
Oct 13, 2020	$ 2.395
Oct 20, 2020	$ 2.388
Oct 27, 2020	$ 2.385
Nov 03, 2020	$ 2.372
Nov 10, 2020	$ 2.383
Nov 17, 2020	$ 2.441
Nov 24, 2020	$ 2.462
Dec 01, 2020	$ 2.502
Dec 08, 2020	$ 2.526
Dec 15, 2020	$ 2.559
Dec 22, 2020	$ 2.619
Dec 29, 2020	$ 2.635
Q4 AVERAGE	**$ 2.466**

Date	Diesel ($ per Gallon)
Jan 05, 2021	$ 2.640
Jan 12, 2021	$ 2.670
Jan 19, 2021	$ 2.696
Jan 26, 2021	$ 2.716
Feb 02, 2021	$ 2.738
Feb 09, 2021	$ 2.801
Feb 17, 2021	$ 2.876
Feb 23, 2021	$ 2.973
Mar 02, 2021	$ 3.072
Mar 09, 2021	$ 3.143
Mar 16, 2021	$ 3.191
Mar 23, 2021	$ 3.194
Mar 30, 2021	$ 3.161
Q1 AVERAGE	**$ 2.913**

Date	Diesel ($ per Gallon)
Apr 06, 2021	$ 3.144
Apr 13, 2021	$ 3.129
Apr 20, 2021	$ 3.124
Apr 27, 2021	$ 3.124
May 04, 2021	$ 3.142
May 11, 2021	$ 3.186
May 18, 2021	$ 3.249
May 25, 2021	$ 3.253
Jun 02, 2021	$ 3.255
Jun 08, 2021	$ 3.274
Jun 15, 2021	$ 3.286
Jun 22, 2021	$ 3.287
Jun 29, 2021	$ 3.300
Q2 AVERAGE	**$ 3.212**

Date	Diesel ($ per Gallon)
Jul 06, 2021	$ 3.331
Jul 13, 2021	$ 3.338
Jul 20, 2021	$ 3.344
Jul 27, 2021	$ 3.342
Aug 03, 2021	$ 3.367
Aug 10, 2021	$ 3.364
Aug 17, 2021	$ 3.356
Aug 24, 2021	$ 3.324
Aug 31, 2021	$ 3.339
Sep 08, 2021	$ 3.373
Sep 14, 2021	$ 3.372
Sep 21, 2021	$ 3.385
Sep 28, 2021	$ 3.406
Q3 AVERAGE	**$ 3.357**

Date	Diesel ($ per Gallon)
Oct 05, 2021	$ 3.477
Oct 13, 2021	$ 3.586
Oct 19, 2021	$ 3.671
Oct 26, 2021	$ 3.713
Nov 02, 2021	$ 3.727
Nov 09, 2021	$ 3.730
Nov 16, 2021	$ 3.734
Nov 23, 2021	$ 3.724
Nov 30, 2021	$ 3.720
Dec 07, 2021	$ 3.674
Dec 14, 2021	$ 3.649
Q4 AVERAGE	**$ 3.673**

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KDL Recommendations

Modernize Shipping & Logistic Management

- Middleware - fragmented infrastructure, processes, data – ERP to shipping to end customer
- Digitize processes, workflow automation noncore competency
- Mitigates RISK component in supply chain
  - Location, employee, carrier
- Eliminate manual processes & lost opportunities
  - Websites, phone calls, spreadsheets for quoting, shipping documents, tendering, tracking, invoicing
  - Shippers manually tie back costs to ERP for billing – gaps, lack of controls, missed billings.
  - Integrate ERP & Transportation Management System (TMS)
  - Need for system integration – automatically pull back costs, tracking numbers, carrier information to ERP.
- Gain access to better data

Control Inbound Freight

- Reliant on carrier choice and service/transit level dictated by supplier
- Reliant on freight pricing programs of supplier's selected carrier
- Ensure shipping charges are not applied a handling fee or upcharge

Input costs flow through to consumer

- How is freight measured?
- Is there a clearly defined freight policy? When last evaluated and revised?
- Are there tools / technologies to optimally execute on freight policy day-to-day?
- Can we easily assess impact of freight & shipping by customer?
- Is freight being charged back to customer? Is a handling fee or upcharge applied?

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KDL Recommendations

Educate your Customers, Customer Service/Sales Team

- Amid disruption, opportunity to differentiate from other companies not planning as well
- Make it a priority to inform all parties
- The new normal is a delayed delivery with longer delays to hot spots areas or when moving long distances.
- Route appropriately – send dedicated if the order is urgent.
- On INTL side, expect delays at the port. Vessel bunching causes additional days to unload containers.

Capability Trumps Price

- Availability of materials now favored over traditional low price when selecting carriers to ship
- Weight service more than cost when selecting carriers.
- Shipping guaranteed instead of standard LTL

Be a "Shipper of Choice"

- Reduce times to load and unload a carrier.
- Mindful of pick-up caps, any near-term capacity constraints
- Shippers pledge to utilize an electronic bill of lading based on industry standards.
- Provide advanced notice on pickups
- Prevent small, single shipment pickups – consolidate onto carriers already scheduled to come in.
- Provide accurate handling dimensions, weights, descriptions, package types, counts and service requirements on BOL.

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KDL Recommendations

Consider Packaging Improvements

- Carrier damages on the rise
- Can't afford rework - Lack of inventory , labor shortage.

Intelligent Route Planning

- ***Prioritize Loads*** – capacity is tight. Some orders may need to go out in front of others. Be aware and adjust schedules as needed.
- ***Schedule Early*** **–** Its more difficult to secure a same day driver. Communicate expected ship dates in advance so providers can preplan their loads.
- **Ship next day orders during the week –** Drivers are less interested in shipping a next day load on Fridays. Use Fridays for longer hauls and try to move next day lanes up in the week.
- **Ship Dedicated –** Be aware if orders are hot. Move them on dedicated trucks and don't risk sending in LTL market.

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