

COSCO SHIPPING Lines Announces:

- Winter Weather/Congestion in the US and Canada

(Details for All Listed Below)

February 16, 2018

Dear Valued Customer,

Please note below of recent winter weather / Congestion is the US and Canada impacting all carriers.

- 1) The industry is faced with a critical shortage of truck power, along w/ reduction in working hours for U.S. truck drivers due to the new ELD regulations that went into effect 12/18/17.
- 2) The Midwest and Ohio Valley is experiencing many weather related delays, rail car shortages, reduction in truck power, delays in Rule 11 traffic in CHI between the NS and CN railroads Cosco is seeing some delays to 7 days+.
- 3) Norfolk is seriously delayed due to terminal congestion, turn times exceed 4 hrs in many cases. Some carriers have advised 21 day delays on terminal transfers (Cosco has 10 day delays).
- 4) Further to the weather, a recent avalanche in BC is further hampering the railcar supply in Prince Rupert along with unusually high snowfall for 2017/2018.

What we are doing:

We are forcing railroads to drop crosstown traffic in CHI and arrange all rubber moves to interchanging railroads to expedite cargo when possible. There is no cost to you. We have submitted a national RFQ enlisting additional truck power for MLB and doors. Please see the attached PDF File for RFQ on ELDS.

We are monitoring all rail ramp and terminal aging, and demanding FIFO on all cntrs. We are insisting the CNRR railroad to return mty rail cars to PRR to expedite import cargo. We expect service levels to resume to normal levels by the end of Feb.



???? Happy New Year!

In addition to the above, and per rail vendors, freezing temps are slowing trains thru the Rockies and upper plains.

Extreme Winter Weather Impacting Northern Corridor Operations

BNSF continues to address service disruptions in portions of our Northern Corridor caused by harsh winter operating conditions. The extreme cold along the primary Northern Transcon route through Montana and North Dakota, where temperatures dropped to nearly 40 degrees below zero in some locations yesterday morning, has impacted the ability to maintain normal train flows. As additional locomotives are required to generate proper air flow for our trains' braking systems in this environment, some traffic along this route has been significantly delayed during the past several days.

Should you have any questions, please feel free to contact our North American Operations Center (NAOC) at 1-866-830-2550 or our Long Beach, CA Service Center at 1-866-502-6726.

Thank you for your business and continued support.

COSCO SHIPPING Lines (North America), Inc.