Customer Advisory – Hurricane Harvey

Current as of 10:30 a.m. EST on August 31, 2017

Hurricane Harvey and its impact continue to be felt throughout Houston, SE Texas, and is stretching into Louisiana. Businesses and schools remain closed and many areas are still accessible only by boat or helicopter. As the storm system moves to the east, it is becoming clear the extent of the damage and cleanup efforts that are needed. Our C.H. Robinson Houston teammates continue to check in and evacuate as required. They are all safe at this time. Our Houston offices are beginning to reopen and will not be fully staffed until our team is able to travel to work safely, but our C.H. Robinson network is fully operational.

Our thoughts and prayers continue to be with the people in Houston as they endure the situation.

Supporting our Customers and Carriers

As suspected, the impact on supply chains has increased and is being felt across North America. We are closely monitoring and communicating with customers to better understand the fluctuations in fuel prices. Our team continues to actively work to identify solutions that keep your business operating during this difficult time.

The following information is the latest we are hearing from the Houston area and designed to keep you informed. Reach out to your C.H. Robinson representative if you have additional questions.

Overall Market & Weather Update

The reach of the flooding has expanded beyond Houston. <u>Texas DOT</u> is reporting road closures nearing Austin and San Antonio. With the weather moving to the east, the <u>Louisiana DOT</u> is also reporting road closures near Lake Charles and the surrounding areas. As you look for locations to stage shipments, note that a growing area of SE Texas continues to be affected and road closures are occurring quickly.

Transportation Update by Mode

Throughout this week, you can expect significant delays for pick-up and delivery as well as possible rerouting. In addition, fuel surges are likely and will impact transportation costs.

Intermodal / Rail Operations

- Overall, ramps continue to be closed and may begin reopening Friday, September 1; rail companies are beginning to evaluate the damage as the week progresses. Movements may still be delayed beyond Friday.
- Some Mexico cross-border rail lines continue to be closed (KCSM/BNSF) an embargo has been enacted. These rail lines are anticipated to remain closed through the end of the week.

Less-than-Truckload (LTL)

- Wide-scale LTL terminal closures will continue to impact the region at least through Friday, September
 We understand that LTL terminals in Louisiana are also closing or are beginning to have limited service due to the storm. Note that some terminals in the Houston area are operating under very limited operations and focusing on relief efforts first.
- Embargoes have been enacted and may impact your freight.
- For track and trace, contact your local C.H. Robinson representative.



Truckload

- Shipments continue to be diverted, refused or returned to shippers throughout the region.
- <u>Truckload capacity</u> is expected to be constrained for a significant period of time as assets are being prioritized to support relief efforts.

Global Forwarding – Ocean and Air Shipping

- Houston Port, Houston Hobby Airport and IAH are all closed. The airports are evaluating options on a
 day-to-day basis and anticipate possibly opening for passengers today (Thursday, August 31).
 Operations for freight cargo will remain closed until further notice
- With <u>Houston Port</u> closed, there will continue to be no traffic moving through the shipping channels until at least Friday. The Coast Guard will make the final determination on when the channels will open.
- Note that when the channels and port open, cargo destined for other ports may be unloaded in Houston.
- Once opened, container vessels will have priority above other vessels. Of this, export vessels will get priority to load and sail out first. Any vessels currently berthed at the terminals will be worked first.

We understand this situation continues to evolve. Please do not hesitate to reach out to your C.H. Robinson account team or monitor our updates on our <u>Transportfolio blog</u>.

