

## ■ Canada – Trucking Challenges

January 24, 2018

Dear Customer,

Due to reasons beyond the control of Hapag-Lloyd, the domestic and international trucking industries are facing challenges that have a dramatic effect on truck power availability in Canada.

Following are the main challenges facing intermodal trucking:

- Governmental regulations including “Electronic Log Devices” (ELDs) in the U.S.
- Infrastructure and congestion
- Fewer entrants into the job market
- Increasing cost of operations
- High service demand (hazardous, refrigeration, other special cargo)
- Limited free times at US and Canadian rail ramps

All of these challenges make on-time door deliveries increasingly difficult, increase the risk of demurrage, detention, storage and dry run charges for the account of the cargo and exert continuing upward pressure on drayage rates.

In order to try to alleviate the situation, Hapag-Lloyd is making schedule improvements to avoid bunching of vessel arrivals, improving schedule data flow and sending container volume pre-advice to truckers in advance of arrivals.

At the same time, we offer you as affected customer the following recommendations for your consideration:

- Take advantage of clearing customs at the port of discharge vs railing in-bond
- Accepting cargo upon arrival at destination rail ramp
- Establish 24/7 flexible receiving times
- Understand the impact of government regulations to your delivery expectations

Together, our awareness and communication of these issues will help us to serve you better. For further information, please contact your local Hapag-Lloyd office.

Kind Regards,

Hapag-Lloyd (America), LLC  
as agent of Hapag-Lloyd AG