CLIENT ADVISORY

April 2, 2020

UPDATE: Coronavirus Pandemic

Dear Valued Customer,

We continue to monitor Coronavirus Disease 2019 (COVID-19) globally. We remain fully operational, continuing to service all global and domestic transportation while adhering to government and health regulations. All our locations have business continuity plans and strategies in place to allow our employees to work remotely as the need arises and ensure our customers and carriers receive uninterrupted service. We continue to work closely with our customers on production planning and forecasting as the situation remains fluid.

Here are the most recent updates by region:

Newest updates are at the top of each section; older updates that are still relevant are slightly grayed out

North America

- For more detailed updates regarding sourcing and North America surface transportation including truckload, intermodal and less-than-truckload click here.
- Inbound volumes to the U.S. west coast are higher compared to last year at this time. However, the spike in volume is typical for the ports and unlikely to cause disruption or delays.
- U.S. ports continue to remain operational. Ocean carriers are likely to introduce blank sailings on the Trans-Pacific in April and May to stay aligned with the current demand. This will likely remove about 25-30% of capacity from the market.
- Some U.S. states have implemented regulatory changes for trucking, including weight limit changes. Click <u>here</u> to review the latest updates.
- U.S. Customs and Border Protection (CBP) announced in <u>CSMS# 42231420</u> the launch of CBP's Covid-19 Updates and Announcements. This site will streamline communication related to trade and COVID-19. It's important to note, CBP created an email specific for inquiries related to importing medical suppliers and personal protective equipment <u>COVID19_RELIEF_IMPORTS@cbp.dhs.gov</u>. More information can be found here.
- On March 31st, the Alcohol and Tobacco Tax and Trade Bureau (TTB) <u>announced postponement of 2020 due dates</u> for paying excise taxes and filing returns with TTB due to Covid-19.
- On March 27, Canada's Prime Minister, Justin Trudeau, announced a 3-month deferral of GST/HST payments on import duties until June 30. Read more here.
- On March 26, the FDA provided an update to <u>CSMS message 42124872</u> for instructions to the import community regarding the submission of entry information for personal protective equipment and certain other devices.
- It's important to note, New York's self-quarantine guidance for travelers does not apply to truck drivers
 entering and leaving the state. Learn more here. States around the U.S., Mexico and provinces in
 Canada continue to include transportation, logistics and ports as essential when "Shelter in Place"
 orders are put in place. We continue to monitor the status on a state by state/province by province
 basis and will report any exceptions.

Latin America (LATAM)

 Multiple countries have issued official quarantines to help stop the spread of COVID-19. Logistics and transportation are considered an essential service; therefore, ports, airports and truckload services continue to operate as normal with some delays or exceptions which are outlined below -

Our information is compiled from a number of sources that to the best of our knowledge are accurate and correct. It is always the intent of our company to present accurate information. C.H. Robinson accepts no liability or responsibility for the information published herein.



- Argentina: trucking movements for essential businesses only. Truck drivers are scarce due to overall low demand and current conditions.
- Brazil: Truck movements are normal with minimum impact; Customs numbers are also intact so far.
- Peru: Essential business are operating as normal. Transportation permits have been revoked due to misusage; reapplication is necessary.

Asia

- All ports and airports remain operational.
- Although demand for essential commodities related to COVID-19 remain high, some non-essential
 businesses are canceling purchase orders due to temporary closures. For that reason, overall demand
 has decreased, and ocean carriers are likely to introduce blank sailings in April and May to stay aligned
 with the current demand. We continue to work closely with our customers to accommodate their supply
 chain needs in the fluid environment including offering expedited FCL and LCL programs from Asia.

South Asia

- The lockdown is starting to have a material impact on flow of goods. Ocean carriers are in discussion for capacity removal/blank sailings to cope with lack of demand.
- Although international and domestic flights have been grounded, the lockdown does not apply to cargo planes. Additionally, some passenger airlines plan to convert their aircrafts to operate as a cargo plane.
- Ports and Customs in India and Sri Lanka will remain open with limited personnel.
- Empty yards in many regions are closed to comply with government regulations.
- Central Warehousing Corporation in New Delhi announced the temporary closure of their warehouse until the situation returns to normal.

Europe

- Europe truckload continues to experience delays in cross-border shipments. View the latest crossing times <u>here</u>.
- Market remains highly volatile as many non-essential businesses close and production on essential
 products related to COVID-19 take priority. We continue to work closely with our customers to
 accommodate their supply chain needs in the fluid environment including offering air charter services
 and expedited FCL and LCL programs from Europe.

Oceania

- Implementation of border restrictions, increased screening and security measures may cause delays for goods entering Western Australia, South Australia, Queensland and Tasmania. Border restrictions in Australia vary state-by-state, read the latest updates by state here.
- New Zealand borders remain closed for all international travel. However, air and maritime continue to be exempt from the travel restrictions so essential service deliveries can proceed as normal.
- The Port of Lautoka, in Fiji, has ceased acceptance of all container vessels. The Port of Suva will remain open to enable continued access of shipping services to Fiji.

Links to additional resources:

- WHO updates and CDC updates
- CBS News update and BBC News update
- COVID-19:Implications for business (McKinsey & Company)
- Global Cases (Johns Hopkins CSSE)

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We will continue to monitor the situation and provide updates as needed. For previous advisories, please visit our <u>Client Advisory page</u> on our website. Here is a direct link to the most recent update: 3/27/2020 – <u>UPDATE: Coronavirus Pandemic</u>

Thank you for being our Valued Customer. If you have any questions, please do not hesitate to contact your C.H. Robinson commercial representative for further information.

Sincerely, C.H. Robinson

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