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THE SOURCE

Keep Calm and Keep On Trucking

By Chris Spear March 19, 2020
(Chris Spear is president and CEO of American Trucking Associations)

The coronavirus pandemic invokes fear. That's understandable. We're confronted with a novel virus that represents a serious threat to public health. We're also faced with uncertainty. Uncertainty gives rise to misinformation, and it's in these environments that rumors run rampant. Hysteria, more so than the underlying challenge, is often what fuels public fear.

It reminds me of 9/11. In the immediate wake of that horrific attack on our country, the things we didn't know outweighed the things we did. Those "unknowns" gave room to falsehoods, and rumors spread—like an epidemic.

As I watch this current crisis unfold, once again I'm hearing a similar refrain from chattering classes. I see a rush to draw conclusions before facts avail themselves. I see a desire to speculate and imagine worst-case scenarios. I see a reflexive urge to cast blame and score cheap political points.

What ensues is panic, triggering runs on the grocery store, for example. We don't know how long it will take to defeat this pandemic, or at what ultimate cost. But here's what I do know, having spoken to the men and women of our industry and our partners throughout the logistics network: There is plenty of food, water, medicine, fuel and, yes, toilet paper, in our supply chain. The empty shelves temporarily seen are simply the result of surge demand as Americans rush to stock up. They've been quickly restocked as carriers and retailers adjust to the whims of the market.

Truckers don't deal in fear. They have a job to get done. They get up, hop in the cab, and take to the road. Truckers always deliver, even when there's a natural disaster or expanding crisis. That's because America depends on them. Families and businesses need food, fuel and life's essentials. Hospitals need medicine and critical, life-saving supplies. We all depend on truckers for the staples that enable our basic survival.

Over the past 20 years, America has stood strong through harrowing challenges: 9/11, the financial crisis and great recession, and two protracted wars overseas. Now, when we look back, we do so with a greater perspective that strengthens our resolve and empowers us to tackle the unforeseen challenges ahead. We can, thanks to the noble sacrifice of countless heroes who put themselves on the line for the greater good of our country. Continued on page 2

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To help prevent the spread of COVID-19 Outsource, Inc. is initiating for itself and asking all service providers to follow CDC guidelines for "Implementation of Mitigation Strategies" https://www.cdc.gov/coronavirus/2019-ncov/downloads/community-mitigation-strategy.pdf including:

- Know where to find local information on COVID-19 and local trends of COVID-19 cases
- Know the signs and symptoms of COVID-19 and what to do if staff become symptomatic
- Review, update or develop workplace plans.
- Encourage employees to stay home and notify workplace administrators when sick
- Encourage personal protective measures among staff (e.g., stay home when sick, handwashing, respiratory etiquette
- Clean and disinfect frequently touched surfaces daily.
- Ensure hand hygiene supplies are readily available.


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Keep Calm and Keep On Trucking

(Front page article continued)

Like those crises of past, this coronavirus pandemic too shall pass. After a period of disruption to our familiar routines, life will return to normal. We will return to restaurants, go on vacations, commute to our places of work and enjoy sporting events. And our country will be stronger for it.

We will do so thanks to many patriots who answer the call of duty: the medical professional tending to the sick, the scientist working around the clock on a cure, and the American trucker on the front lines ensuring everyone else has the essentials at hand to remain healthy, nourished and productive. I don't anticipate this road will be easy, but I have no doubt we will surpass it. Let facts, not rumors, guide the way. Pull together, rather than against one another. Put politics aside in the interest of our common good. Above all, keep calm—and keep on trucking.

Spot rates soar as shipping resumes, but don't take advantage, carriers warned

By Mike Wackett, The Loadstar, 3/16/2020

The newest member of the Federal Maritime Commission (FMC), Carl W Bentzel has warned transpacific carriers against hiking freight rates unfairly, as the supply chain begins to free-up in China. "I was heartened to hear that shipping lines have indicated that there is cargo for pickup and that trucking and port operations have substantially resumed in China," said Mr Bentzel. The FMC has been monitoring the levels of blanked sailings on the route and discussing with ocean carriers the levels of service and the potential resumption of normal trade.

The federal agency responsible for regulating ocean transport in the US said reports indicated US retailers were beginning to run low on imported goods, which is having an impact on US manufacturers such as the automobile industry, which sources some component parts from China, and US exporters of agricultural products suffering logistical challenges. It said: "Information provided from shipping lines involved in the transpacific trades indicates that cargo levels and services are resuming to pre-coronavirus levels. It should be expected that coronavirus impacts will linger over the next few weeks while vessels are engaged in the cross-Pacific transit and, hopefully, we are poised to achieve normalcy in the transport of goods. "To be clear, there may still be logistical challenges in processing cargo into United States commerce."

Mr Bentzel said it would be necessary for all stakeholders in the transport industry, from container terminals to trucking and rail services, "to pitch in to secure normalcy". But he fired a warning shot at carriers that might be planning to recover the billions of dollars of lost revenue from the hundreds of cancelled sailings by announcing GRIs for shipments from China to US west and east coast ports. Transpacific carriers raised freight rates substantially during the US-China tariff-beating front-loading demand surge in the final quarter of 2018, which did not appear to register on the FMC's regulating radar or attract any critical comment from the commissioners.

However, Mr Bentzel, sworn into office in December, is taking up the baton from his friend and former commissioner, William Doyle, who was at the forefront of implementing regulations covering the new alliance set ups. In particular, Mr Doyle was influential in the aftermath of the Hanjin Shipping bankruptcy, encouraging vessel-sharing agreement wording that allowed the surviving partners of an alliance to continue to function and deliver containers in the event of individual carrier failure. "I remain concerned that there will continue to be negative economic impacts as a result of delays, as shipments transit the Pacific from China. I would hope that the industry resists the temptation to take actions to price gouge or otherwise unfairly leverage their position," said Mr Bentzel. The first week of near normal manufacturing and intermodal activities in China since the onset of the coronavirus crisis saw container spot rates for the US, as recorded by the Shanghai Containerized Freight Index (SCFI), soar 18.3% last week to the US west coast, to $1,610 per 40ft, and jump 8.7% for east coast ports to $2,912 per 40ft. "Our ability to recover from this economic disruption through the resumption of maritime commerce underscores the criticality and importance of our maritime trade. Hopefully the resumption of this service can allow our nation to recover as rapidly as possible," said Mr Bentzel.

MSC adds new calls to improve USA - South America East Coast service

By: AJOT | Mar 16 2020

MSC Mediterranean Shipping Company announced an enhancement to its USA-South America East Coast (USA-SAEC) service, starting in April with MSC CAROLINA voyage 13R. The new rotation features a call in Cristobal, which will improve connections with the rest of MSC's South America network and other intercontinental services.

With the addition of calls at Paranagua and Philadelphia, MSC will further improve its offer from southern Brazil to the US East Coast, as well as offering a direct call at key ports for fresh produce in the USA. This will enable MSC to better serve exporters and importers of fresh goods in those regions. The new port rotation will be as follow:

Buenos Aires - Montevideo Rio Grande - Navegantes - Paranagua - Santos - Rio De Janeiro - Salvador - Suape - Cristobal - Philadelphia - New York - Norfolk - Baltimore - Charleston - Savannah - Caucedo - Santos.

Please note that MSC has removed Port Everglades, Freeport and Caucedo (northbound call) from the previous rotation of this service.

The Man Behind the Plan to Remake FedEx

By Paul Ziobro, WSJ.com, March 12, 2020

FedEx Corp. Chief Executive Fred Smith has cut ties with Amazon.com Inc., is phasing out the U.S. Postal Service and is fully embracing online shopping, part of the most sweeping changes ever at the shipping giant he launched nearly 50 years ago. The reason: his faith in Raj Subramaniam, a marketing executive from India tapped as Mr. Smith's likely successor. The latest moves were inspired by strategic reports that Mr. Subramaniam, who turned 54 years old Wednesday, produced for Mr. Smith and the company's board. Hundreds of pages long, the reviews outlined a new playbook for FedEx, including going all-in on shipping online orders, and discussed how far the company had to go to be a real player in the e-commerce economy. "We had to adapt, change and be ready for the market that's evolving," said Mr. Subramaniam, who was appointed chief operating officer last year and joined the FedEx board in January. "And so we made some very, very bold steps."

FedEx began reducing its reliance on the U.S. Postal Service, which for years had delivered millions of the carrier's packages to homes each week. The company also started making deliveries seven days a week, up from six, to satiate the never-ending schedule of online shopping. It launched new services to quickly ship packages from stores to homes. It forged ties with retailers to add thousands of new stores, including in rural areas, to a network of locations to pick up and drop off packages.

Air-Ground Integration

FedEx's premium Express business and less costly Ground business have historically been operated as separate networks. Here is how they work and how the 'Last Mile Optimization' plan will integrate them to increase Ground's delivery density and free up Express to focus on higher-yielding premium shipments.

FedEx Express - Express generally comes with a time-specific delivery commitment, and packages are taken by plane to their destination hubs.

FedEx Ground - Ground's delivery window is generally by the end of a designated day, and packages are taken by truck to their destination hubs.

Duplication - Packages reach their final destination via a delivery vehicle. The networks overlap and can wind up delivering in the same neighborhood at the same time.

'Last Mile Optimization' - Express plans to contract with Ground to transfer it certain packages to deliver start-to-finish if they would still arrive in time.

Source: the company

"He did all of the research and foundational planning for the strategy that we are executing today," Mr. Smith said in a recent interview. "For all intents and purposes, Raj is the architect of that." Last month Mr. Subramaniam, a three-decade veteran of FedEx, unveiled the company's latest break from longstanding practice with his plan to mix some packages between the company's two main divisions: Express, which ships critical parcels using aircraft and often guarantees deliveries by a certain time, and Ground, a slower service that uses a network of trucks and targets deliveries to arrive by a certain date. FedEx will hand off some of its Express packages to Ground if it can meet promised delivery times. Mr. Smith for years has resisted investor calls to integrate the two units to save money, saying keeping them separate was vital to maintaining the promise of speedy delivery by Express.

Analysts and investors cheered the move, saying it could save FedEx hundreds of millions of dollars a year at a time when profits have shrunk, and its share price has tumbled—nearly 30% over the past year.

UPS Replaces CEO David Abney With Board Member

By Paul Ziobro, March 12, 2020

United Parcel Service Inc. UPS +2.72% said Chief Executive David Abney is stepping down from the role and will be succeeded by board member Carol Tomé, the first outsider to run the century-old delivery giant. Ms. Tomé, a longtime UPS director and former finance chief at Home Depot Inc., will take over as CEO on June 1. Mr. Abney, who also serves as chairman, will become executive chairman on that date and retire from the board entirely on Sept. 30. UPS said William Johnson, its lead independent director and former longtime CEO at food company H.J. Heinz Co., will become nonexecutive chairman on Sept. 30.

Mr. Abney, like many UPS leaders, is a company lifer. He has spent nearly a half-century at the delivery giant, starting as a part-time package loader in college and rising through the ranks to hold several key posts including president of UPS International and chief operating officer. He took over as CEO in September 2014. His exit follows on the heels of the departure of UPS's No. 2 executive. Chief Operating Officer Jim Barber, 59 years old, retired in January. The company veteran was widely seen as Mr. Abney's most likely successor and his departure opened up the CEO race. The company hasn't filled the vacancy created by Mr. Barber's retirement.

Ms. Tomé, 63 years old, joined the UPS board in 2003. She retired last year after 18 years as Home Depot's finance chief. She worked with five CEOs and helped the home-improvement chain turn around after the 2008 financial and housing crisis, but was never selected for the top job. Mr. Abney, 65, has steered UPS through the explosion of e-commerce. Under his leadership, UPS was quick to embrace the rise of online shopping, investing heavily to upgrade its network to handle the surge. Rival FedEx Corp., by contrast, ceded the less-profitable business of delivering internet orders to homes before changing course recently. While FedEx has cut ties with Amazon.com Inc., UPS has cozied up to the U.S.'s largest online retailer. The company said Amazon spent $8.6 billion with UPS last year, accounting for 11.6% of overall revenue. The large exposure to Amazon has rattled some investors, who see that business as vulnerable because the online retailing giant is building up its own delivery network and increasingly delivering more of its own packages.

UPS has also been under pressure as it continues to ramp up spending to handle the growth of packages from an increase in online shopping. Last year's performance fell short of some internal goals, which resulted in management bonuses being paid out at around 40% of targets, leaving some employees expecting change at the top. A company spokesman said the recent performance wasn't tied to the management change, which he said was part of long-range succession planning conducted by the board. Through Wednesday, UPS shares have fallen 19.2% over the past year, and are down 10.9% over the past five years.

In recent years, the Atlanta-based UPS has filled its leadership ranks with outsiders. It hired a PepsiCo Inc. executive as finance chief in 2019 and a Walmart Inc. executive in 2017 to oversee its transformation efforts. The company was run for five decades by its founder, Jim Casey. It was employee-owned until an initial public offering in 1999. The Atlanta Business Chronicle earlier reported that Mr. Abney was expected to step down from his roles.

TRIVIA QUESTIONS

1) **What is the first day of Spring called?**
   A. Spring Solstice **B.** Easter Equinox **C.** Vernal Equinox **D.** Easter Solstice

2) **What myth is associated with the first day of Spring?**
   A. eggs can balance on end **B.** Body hair doesn't grow **C.** Only day Saturn can be seen w/ the naked eye

3) **Which season of the year is Spring considered?**
   A. Third **B.** First **C.** Fourth **D.** Second

4) **Which vegetable is considered in season during the spring?**
   A. Capsicam **B.** Celery **C.** Eggplant **D.** Artichoke

5) **Which type of meat is traditionally popular in Spring?**
   A. Beef **B.** Lamb **C.** Chicken **D.** Goat

6) **Birds, especially magpies, swoop on people and moving things during Spring for which reason?**
   A. Protect their nests **B.** More people out **C.** Additional sunlight **D.** Hunger from the winter

Answers Later In The Newsletter

FUEL REPORT

U.S. On-Highway Diesel Fuel Prices* (dollars per gallon) http://www.eia.gov/petroleum/gasdiesel/

	3/02/20	3/09/20	3/16/20	Change from week ago	Change from year ago
U.S. National Average	$2.851	$2.814	$2.733	-0.081	-0.337

Canadian Parliament rushes through ratification of USMCA trade pact

David Ljunggren, Reuters, March 13, 2020

Canada was the last of the three signatories to formally adopt the pact, prompting congratulations from the United States and Mexico. The House of Commons lower chamber, which had weeks of deliberations left, agreed the instant approval on Friday after opposition legislators dropped their objections. The upper Senate chamber backed the pact later in the day, Deputy Prime Minister Chrystia Freeland told reporters. "(This) was entirely within the power of Canadian legislators to do, something we were able to do to help the Canadian economy at this challenging time, and I would like to thank legislators from all parties," she said.

The only remaining step is formal approval by the governor-general - the representative of Queen Elizabeth, Canada's head of state - which is a formality.

The USMCA was designed to replace the North American Free Trade Agreement, which President Donald Trump strongly opposed on the grounds it had cost hundreds of thousands of American jobs. "Now that the USMCA has been approved by all three countries, an historic new chapter for North American trade has begun," U.S. Trade Representative Robert Lighthizer said in a statement. In a letter to the U.S. Congress on Wednesday, Lighthizer sent notice of an entry-into-force date of June 1 for USMCA, according to a spokesman for the Senate Finance Committee, which oversees tax and trade issues.

Groups representing U.S. and foreign automakers — including General Motors Co (GM.N), Toyota Motor Corp (7203.T) and Volkswagen AG (VOWG_p.DE) — as well as auto dealers and suppliers — said they were "gravely concerned" by the June 1 date, including the new automotive rules of origin. "We are in the midst of a global pandemic that is significantly disrupting our supply chains, and the industry is throwing all available resources into managing production through this crisis," the groups said in the letter, adding that none of the three nations have drafted uniform automotive rules-of-origin regulations. Automakers, they said, also need time "to solicit the necessary information throughout the supply-chain to certify that our cars and trucks qualify under USMCA."

Mexican President Andres Manuel Lopez Obrador said the approval was good news for Mexico at a time of economic and financial instability.

2 Seattle cargo terminals close as coronavirus, trade war slow shipping; here's what that means for workers

March 14, 2020, By Katherine Khashimova Long, Seattle Times business reporter

So few shipping containers are coming from China that two Seattle marine cargo terminals shut their gates Friday, and one stopped all operations — the first time in five years a Seattle terminal has done so. The combined effects of the coronavirus and the U.S.-China trade war have caused cargo volumes to fall by as much as 30% compared to this time last year, according to Bob Watters, senior vice president of terminal operator SSA Marine. Trucking gates at Terminal 30 and Terminal 18, both managed by SSA Marine, were closed Friday. Both trucking and maritime operations at Terminal 18 will halt every Friday for the foreseeable future "due to ongoing volume declines," says a statement on the website of The Northwest Seaport Alliance, which oversees the Port of Seattle and Port of Tacoma dockside operations. The last time a terminal was closed was in 2015, when 200 environmentalists protested the arrival of a Royal Dutch Shell drilling rig at Terminal 5.

The immediate cause of the temporary shutdown was that several vessels canceled — or voided — their sailings in the past week, according to Zach Thomas, the director of the operations service center at The Northwest Seaport Alliance. "The good news is that starting next week, there are fewer voids for the terminals," he said. "In terms of how full of cargo will these vessels be? That is completely dependent on how quickly China can get production back to normal."

In the meantime, the terminal closure means less work for truckers and longshore workers. Longshore workers who are members of the International Longshore and Warehouse Union will continue to receive a fraction of full-time pay, thanks to the terms of their contract with West Coast shippers.

But nonunion longshore workers — called casuals — have no such guarantee. Nor do truckers, who transport cargo into and out of the Port. "If you're a truck driver or a casual, you're being devastated right now," said longshore worker Abin Nellams. "Especially if you're a truck driver. You're in dire straits." That's true, said truck driver Nebil Mohammed. He's lucky that he's already paid off his truck, unlike many drivers, but he still has monthly $1,100 insurance payments. Some truck drivers, many of whom are immigrants from East Africa and the West Indies, haven't worked all week, he said. "The Port has to save money, I don't blame them," he said. "But it's just a ripple effect. There's no safety net for us. No funding or relief. Nothing."

Ports of LA, Long Beach win federal grants for rail infrastructure projects

www.ProgressiveRailroading.com 3/11/20

The U.S. Department of Transportation's (USDOT) Maritime Administration has awarded $18.2 million in federal funding to the Port of Los Angeles and $14.5 million to the Port of Long Beach for rail-related projects. The grants were awarded through the Maritime Administration's new Port Infrastructure Development Program, which is designed to help fund projects that improve port facilities or near coastal seaports, administration officials said in a press release.

In Los Angeles, the grant will be used for the Fenix Marine Services' container terminal intermodal rail yard expansion and modernization project, which is part of the port's multimodal freight network improvement project. The Fenix project calls for increasing the capacity of the existing on-dock rail yard by adding 11,500 feet of track. The project is designed to improve the terminal's rail capacity by 10 percent, while also creating utility corridors and draining systems that will minimize the impact of storm-related damage. The new track will enable more cargo to be loaded on trains via the on-dock rail yard, instead of via off-dock rail yards located as far as 27 miles away, Fenix officials said in a company press release. The project is expected to increase the terminal's on-dock rail capacity by a projected 520,000 20-foot equivalent units, reduce cargo dwell and transit times by as much as two days, and result in 2,000 fewer truck trips per day, they said. The $40.5 million project is in the design phase, Fenix officials said.

Meanwhile, the $14.5 million grant awarded to the Port of Long Beach will be used for the Alameda Corridor south access project. Specifically, the federal dollars will be used to boost capacity at the Terminal Island Wye rail junction by constructing and replacing rails and sidings that will improve the efficiency of rail operations, USDOT officials said. Long Beach port officials want to renovate and expand rail infrastructure at the Terminal Island Wye to support plans to move more cargo by on-dock rail.

Savannah eyes double-digit cut in March volumes on COVID-19 blankings

Ari Ashe, Senior Editor | JOC | Mar 16, 2020

The Georgia Ports Authority anticipates a double-digit decline in Savannah's March volumes due to 30 blank sailings linked to the coronavirus disease 2019 (COVID-19), and while Saturday hours will be temporarily cut, no weekday shifts will be eliminated or hours curtailed, the GPA told JOC.com. GPA executive director Griff Lynch expects an 18% decline in volumes this month year over year. But there is enough land to hold empty containers, so truckers should have no problem returning equipment, Lynch said.

Coronavirus has wreaked havoc in Southern California in recent weeks, with terminal operators canceling second shifts or closing altogether. The effects are now being felt on the East Coast, too. The Port of New York and New Jersey said March volumes would fall 30 percent year over year, while the Port of Baltimore has announced closures for the Seagirt Marine Terminal. Lynch said the coronavirus has altered GPA's fiscal year volume forecast. Originally, he called for a mid-single-digit increase in Savannah's cargo, but now the expectation is flat to slightly lower in fiscal year 2020, which ends June 30. "If this never happened, we were gonna have another record year," Lynch said. "We were on pace to break a record. Now that's gonna be tough and I think what we will see is a breakeven year." He said it's too soon to say if April volumes will fare as poorly as March.

Lynch said there will be about 30 blank sailings in Savannah this month, about half last week and the rest this week. "In a normal year, we have 22,000 to 25,000 [container] imports on the water right now [on a weekly basis]. Last week we had in the range of 14,000, so down about 10,000. It'll be between 15,000 to 17,000 the next two weeks," he said. "What's really encouraging is [as of last Monday] our four-week outlook is back to 22,000. We see a return to normal volume happening in that first or second week of April." Saturday hours will be eliminated in Savannah through mid-April, although Lynch said that day sees light traffic under normal circumstances. There are no changes in hours Monday through Friday. "No reduction in service. We're talking about a three-week drill," he said. "And you know, it's not the end of the world. This is a blip and we'll come out the other side." There is "plenty of space" to handle all the empty returns, Lynch said, despite blank sailings meaning fewer vessels back to China. He reassured truck drivers that what is happening in California won't occur in Georgia.

Distribution centers serving critical services, such as food and health care, will remain busy, but shipping for other industrial or non-essential retailers could slow during the next eight weeks following the Centers for Disease Control's recommendation against crowds of more than 50 people. Rather than inventory being depleted, there could be excess inventory that may not be used, which Lynch said could lend to a more U-shaped recovery than a rapid V-shaped spike.

As Coronavirus causes a run on hand-sanitizer, canned goods and toilet paper, it's the American trucker who goes the extra mile.

ATA Blog (American Truckers Association) March 15, 2020

Here's a powerful image:
John Johnson @papajohn1974

John Johnson @papajohn1974 These trucks are lined up outside the Proctor & Gamble plant near Tunkhannock, PA. The line stretches for as far as you can see and then some. What do they make at this plant? Toilet paper.
Let that sink in.
12:48 PM - Mar 13, 2020

Major national crises tend to expose underlying truths about society that otherwise go unnoticed during life's regular routines. They reveal the individuals among us who are truly essential to upholding the high standard of living we've collectively come to expect. They remind us of America's unsung heroes. The unfolding COVID-19 pandemic is no different. The spread of Coronavirus in the U.S. will test government institutions, challenge private industry and place inordinate demands on our most critical workforce. It will marshal the full strength of our nation and elevate its essential core. And just as they do when a hurricane strikes or a blizzard hits, America's professional truck drivers will be on the front lines delivering critical supplies and aid to fellow citizens.

Over the past week, Americans have rushed to stock up on goods as they prepare to hunker down to mitigate the impact of COVID-19. We've watched schools, businesses, major sports and other cultural pillars come to a complete stop as personal health and well-being take top priority. But one thing that won't stop: trucking. Because when trucking stops, all of America stops. The American trucker sits at a vital intersection in society. They are the critical link between the valued goods we produce and the demands of our most pressing needs. For the healthcare professional tending to the sick, for the mother providing for her family, for the scientist working overnight to develop a vaccine—truckers are sacrificing daily to ensure everyone has the essentials in hand to remain healthy, nourished and productive.

Following the guidance of government and health officials, many working Americans will be staying home in the coming weeks. But truckers are not afforded that same luxury or comfort. In order to keep store shelves stocked, hospitals supplied, first responders equipped and government agencies running, duty calls the American trucker to the road. And as our nation bands together to tackle this challenging road ahead, we must recognize the vital role of truckers in maintaining society's most essential functions. We urge shippers and receivers to treat them with the courtesy, dignity and respect they deserve. We call on government officials to provide them with the flexibility and resources they need to get the job done. But there's one thing all Americans can do right now: Thank a trucker. Especially during trying times like these. Because without them, the disruptions we're experiencing would be something much, much worse.

Averitt's Smart Crate fuses reusability with technology for more efficient shipping

By: AJOT | Mar 12 2020

Averitt Express has unveiled a new modular crate system called Smart Crate. Designed to reduce damages in transit, Smart Crate uses state-of-the-art sensor and communications technologies to also provide real-time location tracking and condition monitoring. Smart Crate was designed and engineered over the course of two years in collaboration with Nashville-based manufacturer Logistics Advanced Research Center.

Compared with traditional wooden crates, Smart Crate can provide savings on packaging costs of up to 40% per shipment and reduce product transit time by allowing crating to occur at the point of production. Manufactured using all recyclable materials, the system also reduces environmental impact caused using wooden crates.

Smart Crate's sensors provide a wide range of transit condition monitoring, including temperature, humidity, shock, vibration, light and acceleration. The modular design of the system also allows shippers to transport products of various sizes that range from computer servers to delicate mechanical components. "A great amount of detail and attention has been put into the conception and creation of Smart Crate," said Wayne Spain, Averitt's president and chief operating officer. "Our team is excited to offer this environmentally friendly product to shippers that enables them to improve the overall performance of their supply chain."

Answers to Trivia

YRCW releases Q1 operating metrics

By Logistics Management Staff · March 16, 2020

Late last week, Less-than-truckload (LTL) freight transportation services provider YRC Worldwide issued certain operating metrics for the first two months of the first quarter.

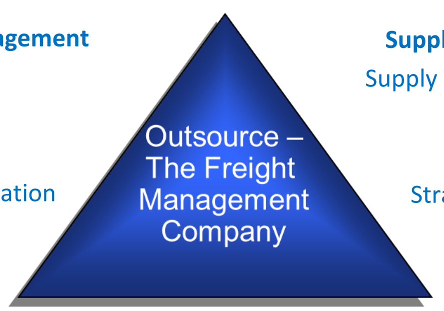
YRCW reported that:

- shipments per day were down 5.3% and 2.4% in January and February, respectively and down 3.9% through the first two months of the year;
- weight per shipment was up 4% and 2.8% in January and February, respectively, and up 3.4% for the first two months of 2018;
- tonnage per day was down 1.5 in January and up 0.3% in in February and down 0.7% through the first two months of 2020;
- revenue per hundredweight was down 5.3% and 3.1%, respectively, in January and February, and down 4.2% through the first two months of 2020; and
- revenue per shipment was down 1.5% and 0.4% in January and February, respectively, and down 1% through the first two months of 2020

YRCW officials said that as detailed in its most recent Form 10-K, as it progresses through its previously discussed enterprise transformation, "the company will be reporting its five brands, which were formerly reported as two segments, now as one company on a consolidated basis."

And they added that as of March 13, the impact of the coronavirus outbreak has not had a significant impact on its 2020 financials. "However, the situation is changing rapidly on a daily basis," said YRCW. "The extent to which the coronavirus may impact our future results is uncertain and we will monitor evolving trends and make necessary adjustments as facts and circumstances dictate."

Transportation Management
Multi-modal Service
Carrier Management
Auditing Services
Supply Chain Coordination



Supply Chain Management
Supply Chain Engineering;
Collaboration;
Leadership
Strategic Management
Consulting

Profit Improvement Plan
Leverage Opportunity Analysis
Baseline Measurement
Profit Improvement Measurement

The end of OPEC is here

By Julian Lee | Mar 17 2020

(Bloomberg Opinion)—OPEC may not survive to celebrate its own 60th birthday later this year. Saudi Arabia's decision to abandon output restraint and flood the market with cheap crude signals the end for a group dubbed the world's most successful cartel. In a selfish bit of showmanship, Saudi Arabia, by far the biggest producer in the Organization of Petroleum Exporting Countries, tore up an output agreement that had lasted since the start of 2017. It did so because Russia, the largest of OPEC's external allies, wouldn't play ball and refused to make deeper production cuts to help prop up oil prices in the face of the economic devastation being wrought by the Covid-19 virus. The kingdom had probably hoped to shock the Kremlin into coming back to the negotiating table, but that clearly backfired. The impact — compounded by the deadly virus's continued spread — will be much more damaging for OPEC's other members, from Algeria to Venezuela, than it will be for Saudi Arabia's nemesis in the wider OPEC+ coalition.

The de facto leader of OPEC could have made other calculated choices before taking every man for himself approach and starting an all-out oil price war. After all, Russia offered to extend the current output cuts beyond the end of March, and there was nothing to stop OPEC's 13 members from agreeing further reductions just among themselves. But Saudi Arabia seems to have decided that the OPEC+ pact, which started life as a temporary coming together meant to last only six months, needed to continue further into its fourth year. If the external partners weren't prepared to cut deeper, then OPEC wouldn't act either. And, since not everyone saw eye to eye, the current agreement wouldn't be extended, leaving everybody free at the end of March to pump as much as they want, or are capable of. Then, rather than wait and see, Saudi Arabia acted with a vengeance, slashing the cost of its crude for loading in April. Official selling prices — set as differentials to regional benchmarks — were cut by the most on record after the OPEC+ deal fell apart. With Brent trading around $30 a barrel and the discount for sales of Saudi Arabia's key Arabian Light grade set at $10.25 a barrel, there is an ocean of $20 oil set to head for Europe next month. There have also been big increases in the volumes allocated to buyers in both Asia and on the U.S. Gulf coast.

Saudi Arabia's monopoly oil producer, Saudi Aramco, says that it will supply its customers with 12.3 million barrels a day in April. That's more than the company can pump out of the ground, even if it opens the taps fully, thus implying that it will draw down crude stored at home and in tanks in Japan, the Netherlands and on Egypt's Mediterranean coast. While the kingdom can partially offset the collapse in oil prices with the boost in volumes, most of its fellow OPEC members are much less fortunate. They are already pumping almost as much as they can.

In Libya, for example, production has been cut to near zero after a local warlord closed almost all of the country's export terminals. A peace deal could increase it by more than 1 million barrels a day, but that seems remote. Iran and Venezuela could both boost output were it not for U.S. sanctions on their oil trade, although Venezuela's upside is limited. For the rest of team OPEC, Nigeria is the only country outside the Persian Gulf that can boost production by more than 100,000 barrels a day. But that's not going to get it very far. A simple back-of-the-envelope calculation shows that lifting output to capacity would only reduce the West African nation's losses from the price drop to $30 a barrel from $60 by 6%. For Angola, the region's second-biggest producer, the potential reduction in its loss is just 3%. By contrast, Saudi Arabia, from its kingpin perch, could recoup more than a quarter of the oil revenue it would lose as a result of the price drop by increasing supply to 12.3 million barrels a day from 9.7 million.

This is not the first time that Saudi Arabia has cast smaller OPEC producers to the wolves. As a grouping of sovereign nations, they have little leverage over the group's biggest producer. But the kingdom's latest actions, in the face of an unprecedented hit to global oil demand, show its true disregard for fellow members. When OPEC was originally formed back in 1960, part of its principal aim was "safeguarding the interests of Member Countries individually and collectively." That goal was still paramount in the revised OPEC Statue, drawn up in 2012. So too was "eliminating harmful and unnecessary fluctuations" in oil prices. Saudi Arabia's latest actions are diametrically opposed to those goals, and have helped cause oil prices to fall by almost 40% in a little over a week. That is certainly not in the collective interests of OPEC's members. The oil cartel was a useful fig leaf for Saudi oil policy when it wanted to support oil prices. Now that it wants to send them tumbling, OPEC is simply an inconvenience. The group has survived seemingly irreconcilable internal differences in the past. This one might just be a step too far.