



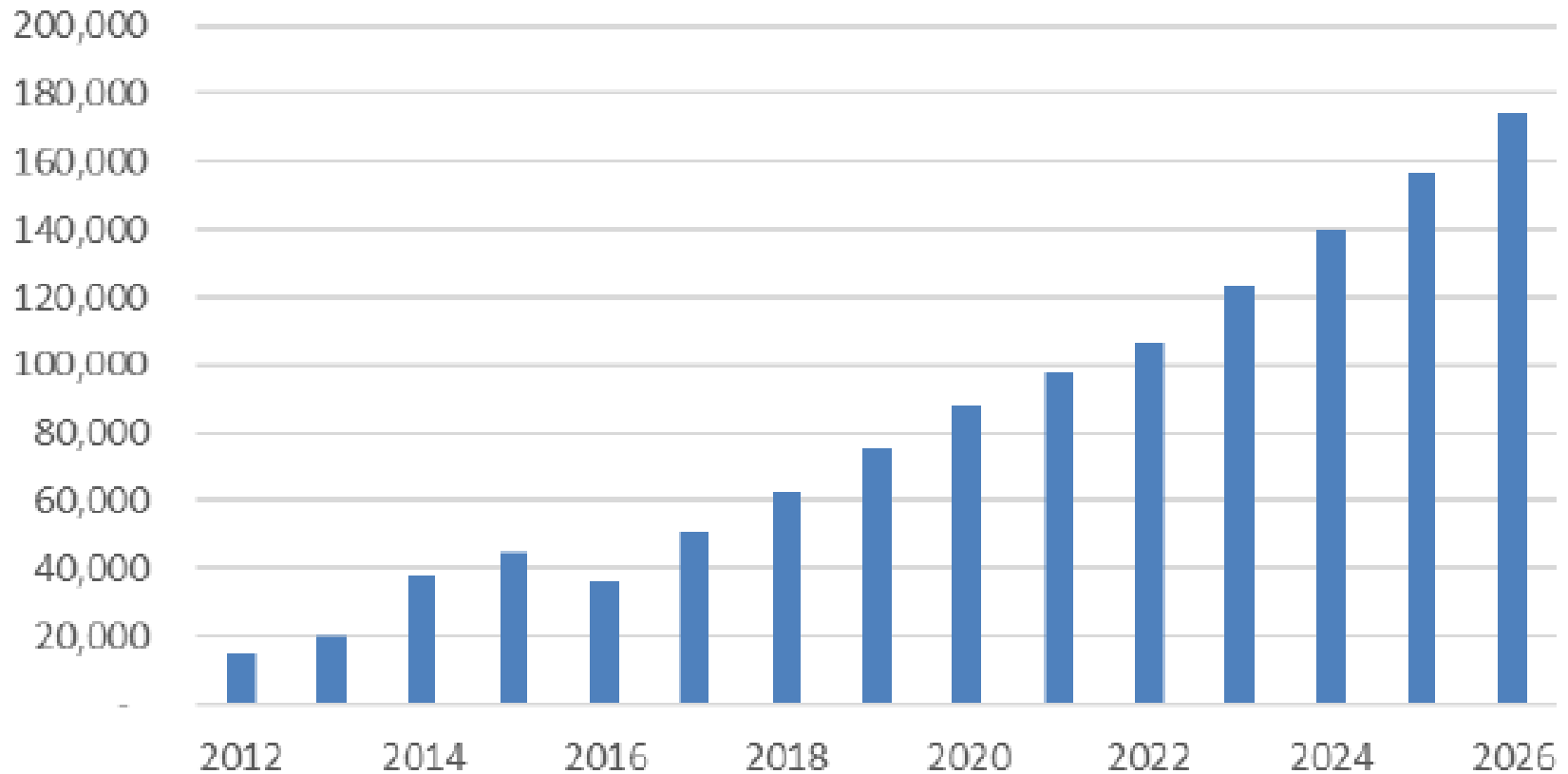
U.S. Truck Shortage

January 2018

Historical Perspective

- Over the past 15 years, the US trucking industry has struggled with a shortage of truck drivers. The shortfall was first documented in a 2005 report, at which time the shortage was roughly 20,000.
- During the 'Great Recession' of 2008, the driver shortage was erased, as industry volumes plummeted, resulting in fewer drivers needed. However, as industry volumes began to recover in 2011, the shortage slowly returned.
- The driver market continued to tighten, and the shortage skyrocketed to roughly 45,000 by 2015. In 2016, the industry still suffered a shortage, but it was less than in 2015 as industry freight volumes softened.
- The driver shortfall is expected to rise by the end of 2017 to the highest level on record as freight volumes recover and the industry transitions to the use of electronic logging devices to record driver hours-of-service – effectively eliminating drivers cheating on hours of service restrictions.

National Truck Driver Shortage Projection



Source: American Trucking Associations

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The current trucker shortage is headline news

THE WALL STREET JOURNAL Kevin Spe

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A Shortage of Trucks Is Forcing Companies to Cut Shipments or Pay Up

Loads far outnumber vehicles as freight volumes near records; 'like trying to get a cab at LaGuardia'



Analysis: 'Perfect storm' factors to lengthen US trucker shortage



ELD mandate off to a bumpy start for some drivers

During the first week of mandatory use of electronic logging devices (ELDs), some truckers have reported delays in having devices delivered, difficulty in getting units installed, and trouble logging in to smartphone apps that sync up with the devices.

Current factors affecting trucker availability

- New “Electronic Log Device” (ELDs) - Federal mandate requiring commercial trucks to be equipped with electronic logging devices,
 - ELDs monitor the time drivers spend on the road to track drive time against the maximum number of hours allowed
 - ELDs came into full force at the beginning of 2018
- Fewer entrants to the job market
- Increasing operating costs
- High service demands on carrying hazardous, refrigerated and overweight cargo
- Limited free time at U.S. rail ramps
- Infrastructure and growing congestion in U.S. ports and marine terminals
- Winter weather in the Midwest, Ohio Valley, Southeast and Gulf

CMA CGM is proactively seeking trucking power

- CMA CGM will continue to focus on increased lead time on dispatching Store Door Deliveries (Pre-Dispatch)
- Clear cargo at port of discharge vs. the inland ramp location, as this will allow additional lead-time in securing truck power
- Submit ocean freight, Original Bill of Lading and U.S. Customs Clearances as quickly as possible
 - We will continue to ask for a minimum of 48 hours prior to LFD at port or rail
- Submit the Delivery Order as quickly as possible
- Flexibility in warehouse appointment times and scheduling



THANK YOU