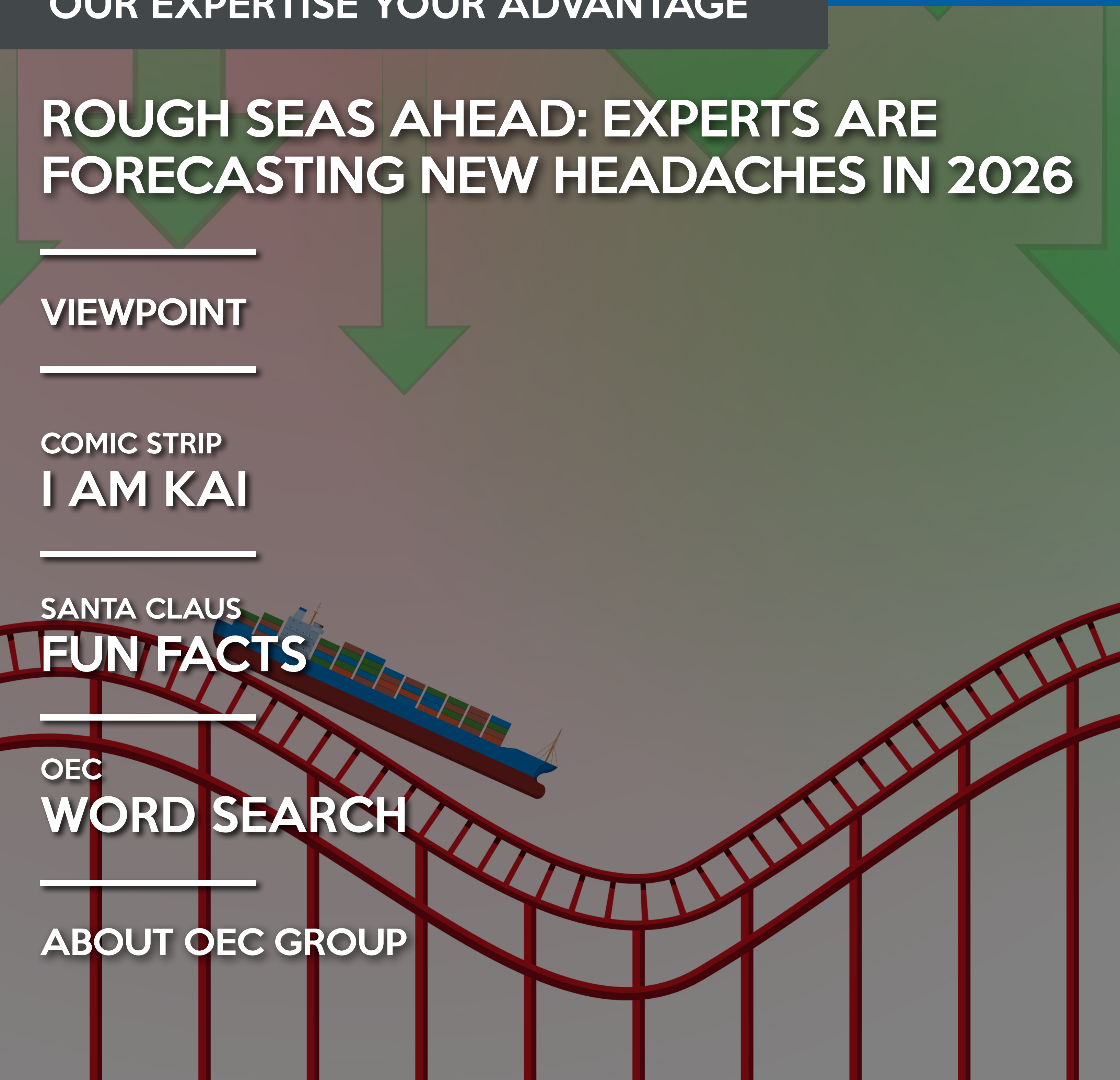
DECEMBER 2025

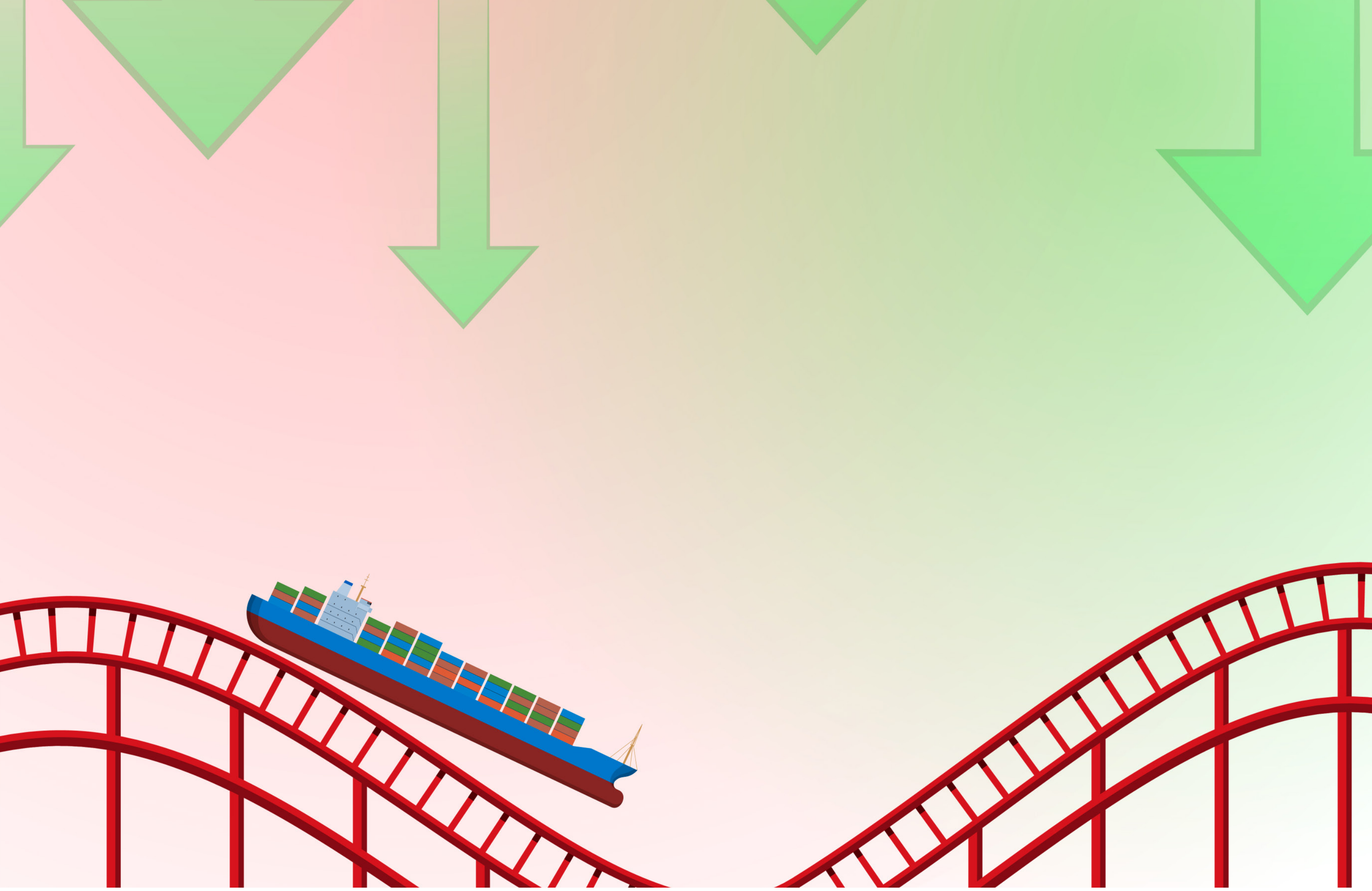
Issue 90

THE SHIPPING STANDARD

OUR EXPERTISE YOUR ADVANTAGE



ROUGH SEAS AHEAD: EXPERTS ARE FORECASTING NEW HEADACHES IN 2026



ROUGH SEAS AHEAD: EXPERTS ARE FORECASTING NEW HEADACHES IN 2026

While 2025 began with anxieties about the impact of new carrier alliances and continued Red Sea diversions, most of this year's concerns focused on the Trump Administration imposing global reciprocal tariffs and the supply chain uncertainties that emerged from that policy.

Many industry leaders believe that this year's tariff related issues will continue well into the next year, making long-term planning extremely difficult and complex. Additionally, experts are also predicting that shippers will be contending with new problems, namely congestion that is expected to result from the Suez Canal reopening and the arrival of vessels ahead of those rerouted around the Cape of Good Hope. This situation is expected to disrupt all Suez services for a significant period of time and trigger rate volatility as vessels return to their original rotations.

> **“In order to help maintain their profitability, carriers are expected to be more aggressive with pricing strategies in 2026,” said Anthony Fullbrook, president of OEC Group’s North American Region. “As a result, shippers should anticipate more problems with reliability and expect to pay a premium to secure space, especially during periods of high demand.”**

Variable ocean freight rates could be even more unpredictable and erratic in 2026. These expected fluctuations could make budgeting extremely difficult and create significant financial risk, especially for shippers operating on tight budgets. Therefore, many experts believe that the best way to navigate this turbulent environment is to secure and strengthen relationships with logistics partners who have strong industry relationships and can advise on how to effectively manage these challenges, especially for shippers who need to take advantage of lower rates when available.

> **“Shippers need to prepare for volatility, be willing to be agile, and continue to stay informed on what is happening in the industry,” said Nick Klein, head of OEC Group’s Chicago branch. “Having the right person in your corner is the only viable contingency plan. This ensures that, regardless of the situation, your supply chain will remain fluid and economically viable – regardless of the circumstance.”**

Unfortunately, the financial strain doesn’t end there. Increased scrutiny at ports and border checkpoints is causing longer wait times for trucks hauling international cargo. More frequent inspections and documentation reviews are delaying deliveries and disrupting schedules. For drivers, this means more time idling and less time earning—adding to frustrations in an industry already grappling with a labor shortage.

WHY ENGLISH PROFICIENCY ENFORCEMENT COULD DISRUPT YOUR SUPPLY CHAIN AND HOW TO STAY COMPLIANT

Thousands of truck drivers could soon lose their Commercial Driver's Licenses (CDL) as the U.S. Department Of Transportation enforces English Proficiency Language (EPL) rules – creating a ripple effect across the supply chain. Under this long-standing law, any driver who cannot sufficiently read or speak English will be put Out Of Service (OOS) on the spot – typically during a routine inspection or at a weigh station – and potentially lose their CDL license if they are unable to satisfy the EPL requirements.

Enforcement of this law has been virtually non-existent over the past decade. However, a recent spate of critical accidents has caught the attention of the Transportation Secretary Sean Duffy who believes that these accidents could have been avoided had the drivers been able to read and speak English.

Mr. Duffy's stance is clear, safety is non-negotiable. To be compliant, drivers must be able to read traffic signs, communicate with law enforcement, and complete required documentation – all in English. The rationale for the law is clear, language barriers can lead to catastrophic accidents, as past incidents have shown.

However, the implications go far beyond roadside safety as the stakes just got higher for shippers. Secretary Duffy recently suggested that the liability for employing drivers who are not compliant with the EPL rules will extend beyond carriers to include shippers. This means that any shipper that has cargo on a truck operated by a non-compliant driver, could face penalties.

This clearly has negative implications for all businesses moving freight. First, hiring drivers directly is no longer a low-risk option. Verifying compliance with federal EPL standards requires expertise, documentation, and constant vigilance – tasks that most shippers are neither equipped nor inclined to handle. Second, the cost of getting it wrong isn't just regulatory fines, its reputational damage, disrupted supply chains, and potential legal exposure.

This means that partnering with a reputable logistics provider is the only prudent solution. Established providers processes in place to ensure every driver meets federal standards. In an era where enforcement is expanding and penalties loom large, outsourcing transportation


Happy Holidays from OEC GROUP
NORTH POLE
THANK YOU!

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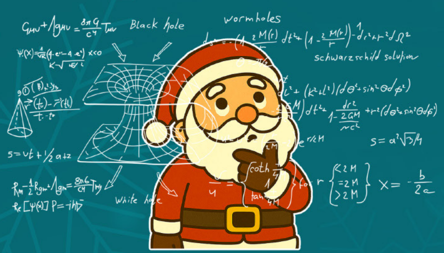
Fun Facts About SANTA CLAUS



Scientists and mathematicians have calculated that Santa would need to visit 822 homes per second to deliver gifts worldwide.

According to tradition, Santa Claus was born around 270 AD, making him over 1,750 years old.

Santa Claus has a magic key that can open any door.

According to the Federal Aviation Administration Santa Claus actually has a pilot's license.

The world's largest Santa Claus parade is held every year in Gatlinburg, Tennessee.

A pint of Guinness is left out for Santa Claus every Christmas Eve in Ireland.

It is estimated that Santa's sleigh travels at 1,800 miles per second.

It is estimated that nearly a billion cookies and 500-million glasses of milk are left out for Santa Claus around the world.

OEC WORD SEARCH

ISSUE 90

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Tariff
Oil Tanker
Supreme Court
Flexitank
Reciprocal
Suez Canal
Decision
Congestion

OEC GROUP

Issue 90

ABOUT OEC GROUP

As an industry pioneer, OEC Group has become one of the world's leading logistics companies. We leverage in-house expertise, carrier partnerships, connections with ports and transportation hubs, and our network of offices in North America, Europe, Asia, India, South America, Australia, and the Middle East, to provide freight transportation, logistics, information, customs and brokerage, insurance, and technical services to over 50,000 customers of various sizes and industries.

We are also highly sought after for the advice we give shippers on how to optimally manage their supply chains. The guidance we provide is based on data analytics, best practices, and decades of industry knowledge.

We believe that relationships matter and treat your cargo as our own. Our experts are always investing in efficient, cost-effective, and cutting-edge services to evolve with the ever-changing market, address the complexities of any client's supply chain, and consistently perform at the highest level for our customers.

Our business is making our logistics expertise, your competitive advantage.

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VIEWPOINT

COMIC STRIP

SANTA CLAUS FUN FACTS

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