



Client Advisory

January 29, 2019

Winter Weather Expected to Impact Supply Chains

Dear Valued Customer,

With the U.S. Midwest and Northeast regions bracing for record low temperatures and icy conditions, we anticipate service limitations in multiple markets during the next few days. **Due to hazardous wintry conditions in the Midwest, OEC Group Chicago will be closed tomorrow, January 30 and will resume normal business on Thursday, January 31.**

How will this weather affect my cargo?

OEC Group expects trucking capacity to temporarily decrease up to 75% and possible rail delays to exacerbate due to the inclement weather, especially in the US Midwest region. This could result in additional demurrage charges at rail ramps (Per Diem) and possibly cause chassis shortages due to increased instances of pre-pull and storage*.

Furthermore, thousands of flights have already been cancelled at Chicago O'Hare International Airport and other airports in the affected region, which will create a backlog of freight in the coming days. Since freight will continue to enter impacted markets in the wake of this severe winter weather, it may take 1 to 2 weeks for congestion to fully subside.

*Pre-pull occurs when truckers pick up the container from the yard early and store it elsewhere because it is not ready for delivery. This practice is often used to avoid incurring demurrage.



Source: Weather.com

OEC Group is monitoring the situation as it develops and working to mitigate the impact to our customers. Should you have any questions regarding this update, please contact your Sales or Customer Service representative.

Sincerely yours,

OEC Group

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