



ACC NEWS



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YOUR WEEKLY UPDATES

Week 3 of 2021



Healthcare



Beverages



Ports



Retail



Shipping



C-Stores



Rail



Road



Supply Chain



Handling

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- Ports in the US are facing a difficult 2021 as the economy worsens, trade tensions continue and fiscal stimulus is delayed, according to Fitch Ratings. In the 'Fitch Ratings 2021 Outlook: US Transport' the credit ratings agency said the COVID-19 pandemic will continue to impede growth, even though there will be an improved performance in 2021.
- Cargo ports have shown resilience throughout the pandemic and are expected to recover to 2019 levels by 2022, according to Fitch. They also said the pandemic will have long-term effect on traffic as more people work from home and the economy remains sluggish, hindering cargo traffic volumes.
- Other areas of US transportation, such as airports and cruise ports, would remain the most exposed to the pandemic-related volatility in 2021. Credit stability as a whole will depend on how quickly vaccines can be developed and distributed.
- However, the economic uncertainty is unlikely to harm capital investment plans as interest rates are very low, Fitch said.
- Fitch added that it expects ports to work collaboratively with partners – tenants and customers – to raise the necessary capital needed to upgrade infrastructure and expand operations in 2021.
- US ports had a mixed 2020, with those on the West Coast seeing trade plummet at the start of the year as exports from China stopped.
- On the East Coast, ports which were not directly affected by the fall in trade with China enjoyed several months of growth and were also able to continue with expansions and upgrades to equipment.
- As exports from China resumed the ports of Los Angeles, Long Beach and Oakland all broke either volume or container handling records.
- This also led to several record-breaking months for US imports towards the end of 2020 as said trade with China combined with the holiday season.
- The pandemic has emphasized the importance of improving the US internal supply chain. In September 2020, the US Department of Transportation included five intermodal projects in its \$1 billion initiative to improve the flow of goods across the country.

US ECONOMY: Coronavirus Predictive Indicators for Economic Impact

prevedere

All Categories: Look at these indicators to understand how they are placing upward or downward pressure on the economy.

Last Refresh: 01-11-2021

| Category | Indicator | Relationship | Next Update | Sep 2020 | Oct 2020 | Nov 2020 | Dec 2020 | Jan 2021 |
|-------------------------------|--|---------------|-------------|----------|----------|----------|----------|----------|
| Business Investment | Average Weekly Hours - Retail | Procyclic | 02-09-2021 | 0.32% | 0.76% | 1.42% | 1.42% | |
| | Small Business Sentiment | Procyclic | 01-12-2021 | -2.13% | 0.29% | 0.16% | | |
| | Weekly Economic Index | Procyclic | 01-17-2021 | -5.22% | -3.82% | -2.73% | -1.95% | -1.76% |
| | Weekly Jobless Claims | Countercyclic | 01-16-2021 | 316.38% | 273.44% | 244.23% | 269.18% | 271.33% |
| Transportation and Tourism | Google Search "Travel Cancellation" | Countercyclic | 02-06-2021 | -15.62% | -37.50% | -27.59% | -14.81% | |
| | ISM Services Index | Procyclic | 02-07-2021 | 6.21% | 4.64% | 5.65% | 3.79% | |
| | Restaurant and Bar Sales | Procyclic | 01-29-2021 | -16.39% | -14.64% | -15.17% | | |
| | Sentiment: Vacation Travel Next 6 Months | Procyclic | 01-20-2021 | -40.80% | -42.84% | -42.69% | -43.43% | |
| Consumer Big Ticket Purchases | Auto Sales | Procyclic | 01-28-2021 | -22.65% | -18.42% | -15.17% | | |
| | Consumer Sentiment - Discretionary Spend | Procyclic | 01-20-2021 | -11.68% | -11.32% | -12.31% | -14.07% | |
| | Global Luxury Index | Procyclic | 02-11-2021 | 17.59% | 19.67% | 22.38% | 27.22% | 37.86% |
| | Home Building Permits Issued | Procyclic | 01-28-2021 | 5.38% | 3.49% | 6.16% | | |
| Logistics and Manufacturing | Economic Policy Uncertainty | Countercyclic | 01-12-2021 | 113.91% | 171.74% | 213.04% | 95.12% | 125.33% |
| | Industrial Production | Procyclic | 01-28-2021 | -6.47% | -5.94% | -5.60% | | |
| | Overtime for Hourly Mfg Workers | Procyclic | 02-09-2021 | -11.11% | -8.80% | -5.65% | -2.44% | |
| | Purchasing Managers Index - Mfg | Procyclic | 02-05-2021 | 11.82% | 17.56% | 19.42% | 23.09% | |
| Financial | Financial Stress Index | Countercyclic | 01-16-2021 | -41.10% | 82.09% | 88.41% | 40.14% | 43.79% |
| | S&P 500 | Procyclic | 01-12-2021 | 13.19% | 15.02% | 14.63% | 16.02% | 14.40% |
| | US High Yield Index Option - Adjusted Spread | Countercyclic | 01-12-2021 | 32.37% | 23.63% | 12.40% | 10.00% | 10.22% |
| | VIX Volatility Index | Countercyclic | 01-12-2021 | 78.65% | 81.56% | 99.24% | 63.31% | 83.75% |

NOTES

Values represent the percentage change from the previous year.

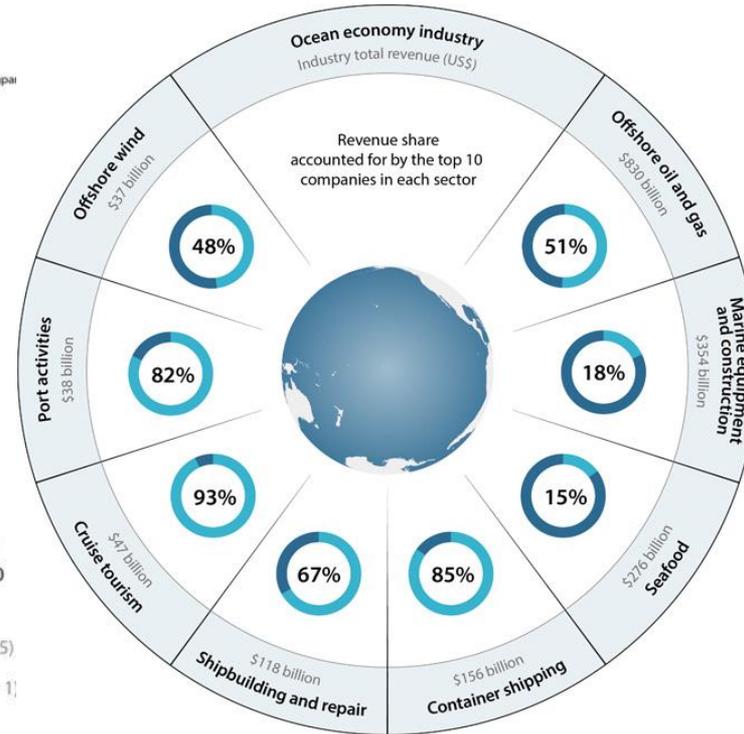
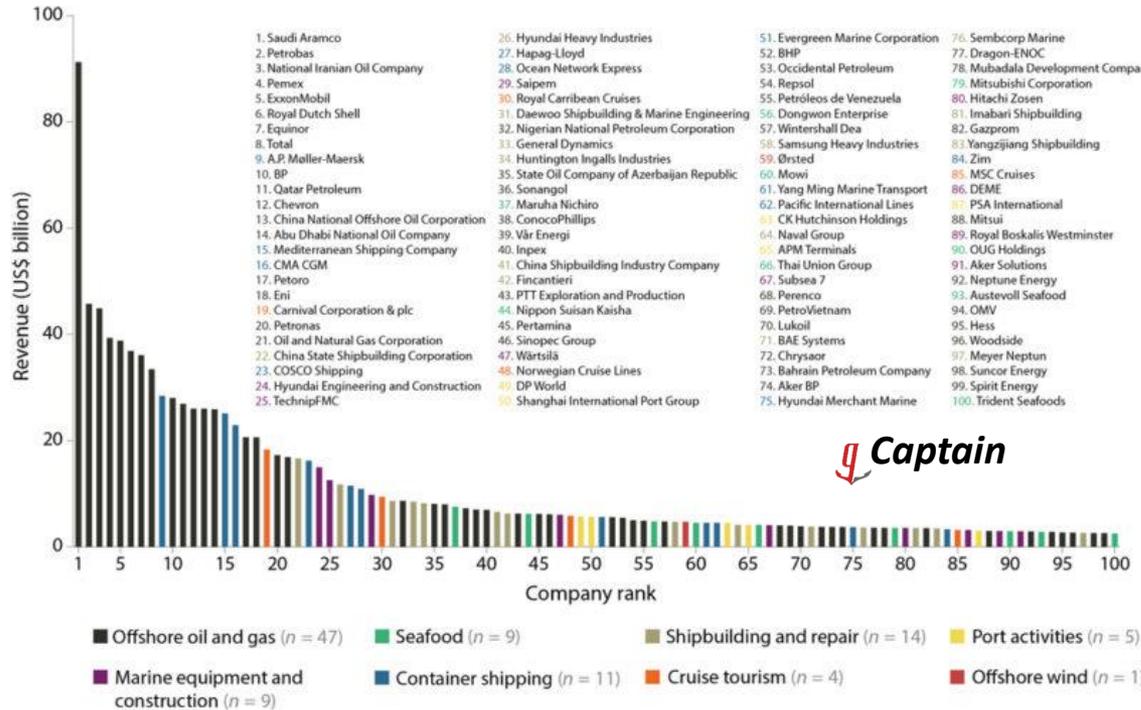
In January, 2 out of 8 indicators are signaling economic improvement from the previous year.

In December, 6 out of 15 indicators are signaling economic improvement from the previous year.

Look to subsequent pages for monthly trend analysis.

■ Upward pressure on economy
■ Downward pressure on economy

- Just 100 companies account for most of the profits from the world's seas, researchers said on Wednesday, calling on them to help save the oceans from over-fishing, rising temperatures and pollution.
- Together, the companies generated \$1.1 trillion in revenues in 2018, or about 60% of the total, according to a study that sets out for the first-time which firms profit the most from marine industries.
- Oceans play a critical role in capturing planet-warming gases, absorbing around 25% of all carbon dioxide emissions. Environmentalists say much more needs to be done to protect them.
- "There's so much talk about the need for sustainable oceans ... but there's very rarely a conversation about who it is that needs to do the job," said Henrik Osterblom, who co-authored the paper published in the journal Science Advances.





Future Retail Disruption 2020/2021

EDGE^A
BY ASCENTIAL

- **Online will provide 57% of global added sales by 2025.** As COVID-19 expands digital addressability, retailers will reach new online consumers by tailoring platforms, pricing and engagement towards the new shopper base. As ecommerce becomes central, bricks & mortar operators will repurpose store layouts for online fulfillment, rapidly building online-to-offline integration, seeking intermediary partnerships and scaling up omnichannel capabilities.
- **Home-bound consumers will break with old habits.** With more time at home, shopper behaviors and expectations will increasingly drive towards fulfilling at-home needs. As pressures grow to balance work with family, demand for convenience ranges and prepared cooking ingredients will increase, and expectations will rise on retailers to demonstrate speed, value, and commitment to health and sustainability to support a changing lifestyle.
- **Swings in consumer priorities will be deeper and more frequent.** Less stable and more fragmented, retailers and brands need to prepare for a future shaped by greater economic volatility and less open borders. COVID-19 is accelerating many changes in consumer behavior, and adding new needs around health, hygiene and expanded home time. With shoppers living in smaller footprints and refining their values; proximity, ecommerce, sustainability and locals are all gaining importance. Retailers unable to adapt will see consumers doubt their relevance.
- **Automation will be key to survival in the new world.** As COVID-19 accelerates an already-dynamic shift towards ecommerce, retailers will seek out automation to expand ecommerce capacities and improve last-mile economics. Rising customer expectations on speed, convenience and frictionless shopping experiences will drive adoption of new technologies with automated warehouses, shop floor robots and longer-term, automated vehicle delivery. Retailers will seek more connected and agile supply chains from suppliers, in order to ensure availability as well as faster and more flexible fulfillment options.
- **Transformation towards data-driven ecosystems will split winners from losers.** As shoppers will seek more holistic sets of services from retailers amid pandemic-related lifestyle shifts, including healthcare, home entertainment and convenient fulfillment, the ecosystem model will continue to gain relevance for all retailers beyond the ecommerce platforms. Retail will, therefore, become part of ecosystem-driven business models that achieve high levels of loyalty through enhanced assortments, services and personalization, all driven by real-time data.

Nothing is Impossible

ACC



Is Amazon on its way to becoming America's favorite grocer? **RetailWire.**

- A survey finds that Amazon.com has become the preferred source of groceries for the largest group of Americans.
- The findings, introduced during a streaming session at the NRF Big Show 2021, were based on a survey of 10,000 U.S. households by dunnhumby. It found Amazon passed the grocers — H-E-B and Trader Joe's — that topped last year.
- Amazon and Target were called out for making significant year-over-years gains in the annual survey. These were driven by larger numbers of consumers turning to the retailers as sources for contactless grocery services as the novel coronavirus pandemic spread across the country.
- The survey's rankings were based on seven separate factors: price, quality, digital, operations, convenience, discounts, rewards and information, and speed. For this year's research, dunnhumby said it added a COVID Momentum Metric to its calculations, which enabled it to better assess how changing consumer preferences drove market share gains or losses in 2020.

Nordstrom's holiday sales drop about 22% to cap tough year **The Seattle Times**

- Nordstrom reported a sharp drop in holiday sales, but the worst could be behind it as it says demand has continued to strengthen in the new year.
- Net sales tumbled about 22% during the nine-week holiday period ended Jan. 2 compared to last year. The company, which operates both the high-end Nordstrom chain and discounter Nordstrom Rack, said its November and December sales were in line with expectations for the fourth quarter.

Costco is shutting down all photo centers **CNNBUSINESS**

- Costco is closing its photo centers at all of its roughly 800 stores next month, ending a number of services that have a decidedly retro vibe. Four services will no longer be available to shoppers when the centers will shut down on February 14, including ink refills, the ability to take passport photos, photo restoration and a service that transferred home videos from VHS tapes to DVD or USB devices.
- However, Costco isn't shutting down its online photo center. Customers can still print photos and access other perks on Costco's website, the company said.



Alimentation Couche-Tard explores Carrefour acquisition EDGE[^] BY ASCENTIAL

- Canadian convenience store retailer Alimentation Couche-Tard, operator of Circle K stores, has begun talks to acquire Europe's third-largest grocer Carrefour Group by submitting a non-binding offer with an estimated value of USD20 billion. The deal would combine over 9,000 of Couche-Tard's North American convenience stores with Carrefour's multiformat grocery store portfolio. This would significantly expand Couche-Tard's presence in Europe, as well as offer a foothold in Asia and South America. The two groups jointly achieved retail sales of USD122.7 billion in 2020.
- With discussions at a very preliminary stage, the French government has already signaled initial opposition to Carrefour's potential takeover. Finance Minister Bruno Le Maire stated French food sovereignty and local job security to be key considerations in approving any potential deal.
- While the outcome of these talks between Couche-Tard and Carrefour remain uncertain, there is an expectation of more merger and acquisition activity within the sector. Retailers seeking synergies to secure advantage amid growing competition from online players has been further propelled by the ongoing pandemic. Likewise, high growth proximity retailers can now seize the opportunity to expand, such as Couche-Tard, viewing acquisition as key to its growth strategy. As retailers adjust and seek scale for leverage, suppliers should anticipate a period of change.

Walmart and HomeValet pilot smart box technology for fresh deliveries EDGE[^] BY ASCENTIAL

- Walmart is to pilot a temperature-controlled smart box from startup HomeValet to support the home delivery of perishable foods. The smart box with three temperature zones, is placed outside the home allowing groceries to be delivered, contact-free, to the secure box while keeping relevant items refrigerated. The smart boxes will be tested initially with customers near Walmart's headquarters in Bentonville, Arkansas, starting this spring.
- This latest pilot from Walmart shows the desire from retailers to find safe and convenient home delivery solutions that are cost efficient. With unlimited deliveries now part of its recently launched Walmart+ subscription program, developments of this type could become an effective membership benefit, as Amazon offers with its Key service. Continued progress in these areas, as barriers to adoption are removed, will ensure the need for an ever-greater digital presence for brands.

Comment – M&S in the UK implemented thermal packing bags in the early-1990's



Grocery shoppers are faster and more focused during the pandemic

- Shopping has become a mission with less room for impulse buying. People get in, get what they need, and get out.
- That's led grocers and manufacturers to reduce offerings. The number of items grocery stores sell is down more than 7%, according to Nielsen. It's a contrast to the "Before Times," when grocery stores were overstuffed with seemingly every size and every flavor of every product.
- Right now, the limited selection is good for grocery stores, which are trying to keep workers and customers safe and also don't want to keep customers waiting in long lines outside. What they've discovered is less is more.
- The fast and efficient behavior is even more extreme with online ordering. The average grocery store has 40,000 products, said Doug Baker with FMI, the food industry association. But a website search bar lets shoppers focus only on what they want.
- Burt Flickinger, managing director at Strategic Resource Group, said that when ordering online for delivery or curbside pickup, "people will buy the brands that he or she knows. They might not buy new brands."
- This trend is most prevalent in the middle of the store, where processed foods live. And that forces manufacturers to focus on their most popular products — for example, penne pasta instead of cavatelli.
- According to FMI, manufacturers "immediately started looking for slower-moving items that they could suspend."
- Baker said reducing options makes sense for the manufacturers trying to keep enough of their popular products on store shelves.
- It won't be back to basics forever. But long term, Baker said, the pandemic could convert more people into loyal shoppers of stores like ALDI or Trader Joe's, which carry fewer items.
- Some shoppers are now realizing that too many choices may not be a good thing.

Comment – retailers charge vendors fees to place their products on retailer shelves – "Listing Fees" - being the usual cost of entry into a retailer, followed by other fees such as front gondola, flyer advertising, discounts and so on – all presented by retailers as their marketing of vendor products and therefore vendors should pay the retailer for these services. Essentially retailers are small realtors marketing mini-space on a shelf for a cost. Retailers de-list products annually, without refund to vendors, replacing the de-listed slots with new listings – more revenue for the retailer. This is so lucrative for retailers that the practice is a budget revenue item. Costco and Walmart do not have listing and other fees. Absent shoppers in aisles, this will dramatically reduce the viability of charging such fees, hurting retailer bottom lines.



Store of the future developments – Q4

Casino (France) – Oct 2020
Monoprix launches autonomous store



Asda (UK) – Oct 2020
Launches trial sustainability store



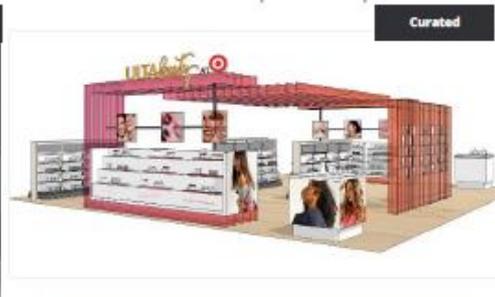
Nike (US) – Nov 2020
New Unite concept to engage communities



Rite Aid (US) – Nov 2020
Tests 'store of the future' concept



Target (US) – Nov 2020
Partners with Ulta Beauty on major store-within-a-store partnership



Mercadona (Spain) – Oct 2020
Project store targets plastic reduction



Tesco (UK) – Nov 2020
In-store trial with online electrical retailer



X5 Retail Group (Russia) – Oct 2020
Pilots fully automated store



Aldi Nord (France) – Dec 2020
Leader Price deal completes





Click and collect is gaining momentum amid the pandemic eMarketer.

- Click and collect has been a growing trend for some time now, as US consumers found they enjoyed the convenience and cost-savings of purchasing online and picking up their order on the way home from work or while running errands. But the pandemic has turned this behavior from a convenience to a necessity, almost overnight.
- According to Digital Commerce 360, of the Top 500 North American retailers surveyed, those offering curbside pickup leapt from just 6.9% in December 2019 to 43.7% in August 2020.
- It is expected that a fair proportion of these new C&C customers will continue to utilize this format and channel.



Digital Investments Pay Off for Albertsons

- Surging online grocery sales lifted Albertsons Companies to stronger-than-expected earnings during the third quarter. For the period ended Dec. 5, same-store sales at Albertsons grew 12.3% on the strength of digital sales, which skyrocketed 225%.
- Albertsons said it has spent approximately \$1.1 billion in capital expenditures, which included accelerated investment in digital and technology initiatives, during the first 40 weeks of fiscal 2020.
- Last week Albertsons became the first American grocer to pilot an automated and contactless grocery pickup kiosk from Estonian provider Cleveron. The temperature-controlled kiosk, located at one of Albertsons' Jewel-Osco stores in Chicago, demonstrates the ongoing expansion of the company's e-commerce business to provide convenient options for shoppers.
- Along with the new contactless pickup services, the company is ramping up the expansion of its Drive Up & Go offering to almost 1,400 stores by the end of the fiscal year.
- Boise, Idaho-based Albertsons operates 2,252 retail stores with 1,725 pharmacies, 398 associated fuel centers, 22 dedicated distribution centers and 20 manufacturing facilities.



U.S. Convenience Store Count Declines for Third Consecutive Year

- The U.S. convenience channel ended 2020 with 150,274 c-stores, a drop from the previous year, according to the 2021 NACS/Nielsen Convenience Industry Store Count.
- By comparison, there were 152,720 c-stores in operation at the close of 2019, resulting in a 1.6-decrease year over year. The most recent store count is based on c-stores that were open as of December 2020.
- In addition, the new store count shows that 121,538 c-stores sell motor fuels — or 80.9 percent of all convenience stores. This represents a slight 0.4-percent decrease from 121,998 stores selling fuels the year prior. Overall, c-stores sell an estimated 80 percent of the fuel purchased in the United States.

Handsome South African stone fruit crop meets uncertain market conditions

- South African stone fruit exporters are optimistic about the stone fruit season after ideal weather conditions during the season – no heat waves, a cool spring and good winter chill, little wind. The Cape drought seems largely to be broken.
- Most South African stone fruit exporters practice direct trade with the UK, which has hugely shielded them from Brexit disruption. The impact from Covid, notes one exporter, has been more visible on their UK business, particularly with regards to logistics.
- The Middle and Far East are also important markets for the South African stone fruit industry, taking into account the expected volume growth. South African stone fruit growers don't yet have access into China and currently limited volumes are allocated to Singapore, Hong Kong and Malaysia.
- Comment – ACC used to transport pitted fruit throughout South Africa.

Seven Shifts in Retail Logistics to Expect This Year

The new year is finally here, and it's time for retailers emerging from a shaky peak season to reflect and plan for what's ahead. Though uncertain, these are the trends we're counting on for the coming months; (i) A lingering COVID economy, (ii) Pop-up fulfillment, (iii) E-commerce surge solutions, (iv) Face-to-face deals, (v) Optimized delivery, (vi) Rise of the robots and (vii) New subscription models.



Supply Chain Update

MARKETBEAT U.S. NATIONAL

Asking Rents Q4 2020



| U.S. Industrial Markets | Overall (All Classes) | | | | | W/D | MFG |
|-------------------------|-----------------------|---------|---------|---------|----------|----------|----------|
| | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020p | Q4 2020p | Q4 2020p |
| United States | \$6.47 | \$6.47 | \$6.58 | \$6.63 | \$6.76 | \$6.22 | \$6.83 |
| Northeast | \$7.25 | \$7.43 | \$7.61 | \$7.81 | \$7.89 | \$7.92 | \$5.70 |
| Midwest | \$4.90 | \$4.91 | \$4.87 | \$4.98 | \$5.05 | \$4.69 | \$5.00 |
| South | \$5.63 | \$5.50 | \$5.63 | \$5.65 | \$5.81 | \$5.36 | \$5.25 |
| West | \$9.15 | \$9.23 | \$9.54 | \$9.43 | \$9.62 | \$8.79 | \$10.27 |

| U.S. Industrial Markets | Overall (All Classes) | | | | | W/D | MFG |
|-------------------------|-----------------------|---------|---------|---------|----------|----------|----------|
| | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020p | Q4 2020p | Q4 2020p |
| Atlanta, GA | \$4.51 | \$4.39 | \$4.44 | \$4.61 | \$4.90 | \$4.42 | \$4.41 |
| Austin, TX | \$10.25 | \$10.19 | \$10.42 | \$10.57 | \$11.03 | \$9.90 | N/A |
| Baltimore, MD | \$6.78 | \$6.66 | \$7.14 | \$6.95 | \$7.15 | \$6.78 | N/A |
| Binghamton, NY | \$4.73 | \$4.72 | \$4.72 | \$4.72 | \$4.72 | \$4.22 | \$4.88 |
| Birmingham, AL | \$4.86 | \$5.04 | \$4.97 | \$5.03 | \$5.32 | \$4.68 | N/A |
| Boise, ID | N/A | \$7.69 | \$7.12 | \$7.61 | \$7.83 | \$6.92 | \$8.03 |
| Boston, MA | \$9.09 | \$9.11 | \$9.04 | \$9.35 | \$9.48 | \$7.50 | \$8.95 |
| Buffalo, NY | \$4.35 | \$4.35 | \$4.35 | \$6.50 | \$6.50 | \$6.00 | \$4.95 |
| Central Valley, CA | \$5.37 | \$4.97 | \$6.64 | \$6.06 | \$6.30 | \$6.87 | \$4.94 |
| Charleston, SC | \$5.66 | \$5.75 | \$5.72 | \$5.65 | \$5.74 | \$5.62 | \$5.77 |
| Charlotte, NC | \$5.50 | \$5.00 | \$5.19 | \$5.26 | \$5.21 | \$4.79 | \$4.87 |
| Chicago, IL | \$5.33 | \$5.26 | \$5.31 | \$5.42 | \$5.46 | \$5.28 | \$5.29 |
| Cincinnati, OH | \$4.37 | \$4.40 | \$4.45 | \$4.52 | \$4.46 | \$4.40 | \$3.74 |
| Cleveland, OH | \$4.17 | \$4.01 | \$3.92 | \$4.00 | \$4.15 | \$3.98 | N/A |
| Colorado Springs, CO | \$8.98 | \$9.32 | \$9.36 | \$9.48 | \$10.03 | \$9.74 | \$10.36 |
| Columbus, OH | \$3.78 | \$3.92 | \$3.89 | \$4.03 | \$3.95 | \$3.85 | \$3.46 |
| Dallas/Ft. Worth, TX | \$4.98 | \$4.83 | \$4.98 | \$5.02 | \$5.22 | \$4.68 | \$3.94 |
| Denver, CO | \$8.71 | \$8.89 | \$8.92 | \$9.06 | \$9.24 | \$7.85 | \$9.14 |
| Detroit, MI | \$6.21 | \$6.27 | \$6.29 | \$6.47 | \$6.45 | \$5.84 | \$5.65 |
| El Paso, TX | \$4.50 | \$4.50 | \$4.85 | \$4.85 | \$4.85 | \$4.85 | \$5.00 |
| Fort Myers/Naples, FL | \$8.65 | \$8.74 | \$8.78 | \$8.74 | \$9.90 | \$9.26 | \$11.65 |
| Fredericksburg, VA | \$6.09 | \$6.03 | \$6.25 | \$6.25 | \$6.27 | \$6.18 | \$4.74 |
| Ft. Lauderdale, FL | \$9.22 | \$9.63 | \$10.03 | \$9.90 | \$9.68 | \$9.20 | \$9.91 |
| Greenville, SC | \$3.88 | \$4.01 | \$4.02 | \$4.02 | \$4.06 | \$3.98 | \$3.84 |
| Hampton Roads, VA | \$5.60 | \$5.64 | \$5.78 | \$5.68 | \$5.80 | \$5.51 | \$5.56 |
| Hartford, CT | \$5.18 | \$5.41 | \$5.37 | \$5.51 | \$5.49 | \$5.52 | \$4.96 |
| Houston, TX | \$5.95 | \$6.01 | \$6.00 | \$6.01 | \$6.16 | \$5.83 | \$6.77 |
| Indianapolis, IN | \$4.39 | \$4.60 | \$4.58 | \$4.62 | \$4.64 | \$4.24 | \$4.66 |
| Inland Empire CA | \$8.80 | \$8.86 | \$8.80 | \$8.67 | \$9.83 | \$9.76 | \$9.76 |
| Jacksonville, FL | \$4.84 | \$5.13 | \$5.27 | \$5.29 | \$5.05 | \$4.70 | \$4.59 |
| Kansas City, MO | \$4.32 | \$4.22 | \$4.27 | \$4.25 | \$4.31 | \$3.77 | \$3.95 |
| Lakeland, FL | \$5.21 | \$5.07 | \$5.06 | \$5.31 | \$5.33 | \$5.29 | N/A |
| Las Vegas, NV | \$8.86 | \$9.11 | \$9.01 | \$9.40 | \$9.07 | \$8.36 | \$8.49 |
| Long Island, NY | \$9.66 | \$9.67 | \$10.65 | \$11.06 | \$11.87 | \$11.71 | \$11.32 |
| Los Angeles, CA | \$11.11 | \$11.38 | \$11.41 | \$11.35 | \$11.64 | \$10.91 | \$11.25 |
| Louisville, KY | \$4.21 | \$4.02 | \$4.00 | \$4.13 | \$4.20 | \$4.17 | \$3.36 |
| Memphis, TN | \$3.22 | \$3.17 | \$3.28 | \$3.42 | \$3.61 | \$3.54 | \$3.70 |
| Miami, FL | \$8.26 | \$8.26 | \$8.51 | \$8.74 | \$8.86 | \$8.62 | \$7.42 |
| Milwaukee, WI | \$4.47 | \$4.45 | \$4.46 | \$4.42 | \$4.58 | \$4.57 | \$4.34 |
| Minneapolis, MN | \$5.14 | \$5.13 | \$5.10 | \$5.10 | \$5.11 | \$4.87 | N/A |

| U.S. Industrial Markets | Overall (All Classes) | | | | | W/D | MFG |
|------------------------------------|-----------------------|---------|---------|---------|----------|----------|----------|
| | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020p | Q4 2020p | Q4 2020p |
| Nashville, TN | \$6.01 | \$7.09 | \$6.76 | \$7.16 | \$7.42 | \$9.87 | \$3.63 |
| New Haven, CT | \$6.08 | \$6.68 | \$6.56 | \$6.54 | \$6.59 | \$5.82 | \$6.20 |
| New Jersey - Central | \$8.99 | \$8.87 | \$8.81 | \$9.01 | \$9.39 | \$8.91 | \$7.24 |
| New Jersey - Northern | \$9.76 | \$9.75 | \$9.95 | \$9.99 | \$10.25 | \$9.98 | \$7.80 |
| Northern VA | \$12.36 | \$11.43 | \$11.51 | \$11.30 | \$11.42 | \$9.78 | N/A |
| NY Outer Boroughs | \$19.07 | \$21.15 | \$21.46 | \$21.12 | \$20.31 | \$19.87 | N/A |
| Oakland/East Bay, CA | \$11.27 | \$11.69 | \$11.75 | \$11.88 | \$11.37 | \$10.15 | \$13.39 |
| Omaha, NE | \$6.02 | \$6.79 | \$6.33 | \$6.40 | \$6.50 | \$5.92 | N/A |
| Orange County, CA | \$11.52 | \$12.44 | \$12.32 | \$12.17 | \$12.73 | \$12.95 | \$11.38 |
| Orlando, FL | \$6.50 | \$6.70 | \$6.93 | \$6.92 | \$7.07 | \$6.30 | \$8.22 |
| Palm Beach County, FL | \$10.06 | \$10.81 | \$10.57 | \$10.48 | \$10.51 | \$9.70 | \$9.27 |
| PA I-81/I-78 Distribution Corridor | \$4.76 | \$4.83 | \$4.91 | \$5.03 | \$5.04 | \$5.04 | N/A |
| Philadelphia, PA | \$5.87 | \$6.06 | \$6.05 | \$6.01 | \$6.28 | \$6.46 | \$5.03 |
| Phoenix, AZ | \$7.04 | \$7.19 | \$7.60 | \$7.49 | \$7.71 | \$6.40 | \$8.19 |
| Pittsburgh, PA | \$7.13 | \$6.02 | \$6.92 | \$6.11 | \$6.25 | \$6.16 | \$4.98 |
| Portland, OR | \$8.55 | \$8.66 | \$8.75 | \$9.13 | \$9.24 | \$8.19 | \$7.66 |
| Providence, RI | \$4.85 | \$4.85 | \$4.85 | \$4.85 | \$4.85 | \$4.70 | N/A |
| Puget Sound - Eastside | \$11.94 | \$13.73 | \$13.90 | \$15.65 | \$14.31 | \$10.74 | \$12.40 |
| Raleigh/Durham, NC | \$8.84 | \$8.84 | \$8.96 | \$6.48 | \$8.00 | \$5.13 | N/A |
| Reno, NV | \$4.80 | \$5.04 | \$5.28 | \$5.40 | \$6.36 | \$6.00 | \$5.40 |
| Richmond, VA | \$4.89 | \$4.77 | \$5.03 | \$4.68 | \$4.66 | \$4.81 | \$4.41 |
| Roanoke, VA | \$4.30 | \$4.37 | \$4.35 | \$4.30 | \$4.27 | \$3.87 | \$6.66 |
| Rochester, NY | \$5.40 | \$5.40 | \$5.40 | \$5.40 | \$5.40 | \$4.00 | \$4.75 |
| Sacramento, CA | \$7.73 | \$7.20 | \$6.84 | \$6.72 | \$6.84 | \$7.20 | \$5.04 |
| Salt Lake City, UT | \$6.24 | \$6.25 | \$6.45 | \$6.40 | \$6.49 | \$6.31 | \$6.22 |
| San Antonio, TX | \$6.05 | \$5.38 | \$5.38 | \$5.49 | \$5.45 | \$5.21 | N/A |
| San Diego, CA | \$14.09 | \$13.01 | \$12.78 | \$13.10 | \$13.44 | \$10.81 | \$13.58 |
| San Francisco North Bay, CA | \$13.56 | \$14.03 | \$14.40 | \$14.27 | \$14.62 | \$14.19 | \$14.50 |
| San Francisco Peninsula, CA | \$18.23 | \$19.07 | \$19.37 | \$19.37 | \$18.25 | \$17.60 | \$23.64 |
| San Jose (Silicon Valley), CA | \$13.92 | \$14.97 | \$14.55 | \$13.94 | \$13.93 | \$12.13 | \$16.78 |
| Savannah, GA | \$4.76 | \$4.92 | \$4.91 | \$5.08 | \$5.06 | \$4.84 | \$5.00 |
| Seattle, WA | \$8.49 | \$8.60 | \$8.71 | \$8.92 | \$9.00 | \$8.55 | \$9.35 |
| Southern New Hampshire | \$5.51 | \$6.59 | \$6.86 | \$6.69 | \$7.70 | \$7.24 | \$5.20 |
| St. Louis, MO | \$4.59 | \$4.67 | \$4.70 | \$4.71 | \$4.79 | \$4.50 | \$4.63 |
| St. Petersburg/Clearwater, FL | \$8.36 | \$8.10 | \$7.88 | \$7.36 | \$7.19 | \$5.96 | \$5.16 |
| Suburban MD | \$11.50 | \$11.20 | \$11.13 | \$10.75 | \$10.87 | \$9.31 | N/A |
| Syracuse, NY | \$4.65 | \$4.94 | \$4.66 | \$4.66 | \$4.63 | \$4.87 | \$4.12 |
| Tampa, FL | \$6.46 | \$6.32 | \$6.41 | \$6.47 | \$6.83 | \$5.78 | \$7.24 |
| Tucson, AZ | \$6.59 | \$6.35 | \$6.41 | \$6.42 | \$6.64 | \$6.00 | \$5.14 |
| Tulsa, OK | \$4.89 | \$5.10 | \$5.19 | \$5.20 | \$5.24 | \$5.40 | \$4.51 |

Nothing is Impossible

ACC



SONAR INFOGRAPHICS

FREIGHT KPIs

A Quick Visual Guide to Carrier Benchmarking KPIs

WORKFORCE

Owner-operator to driver ratio (OWNOPS)
 Owner-operator/driver ratio = $(\text{total OO count} + \text{total driver count}) \times 100$

Truck to driver ratio (TDRAT)
 Truck to driver ratio = $\text{truck count} + \text{driver count}$

Driver to non-driver ratio (DRRAT)
 Driver to non-driver ratio = $\text{active driver count} + \text{non-driver count}$

Percentage of driver turnover (DRVTO)
 Percentage of driver turnover = $(\text{drivers departed} \times 12) + [(\text{Driver count at the start of the month} + \text{driver count at the end of the month}) + 2] \times 100$

DISTANCE

Average length of haul (ALPHA)
 Average length of haul = $\text{total haul miles} + \text{total number of loads}$

Maintenance expense per mile (MAINT)
 Maintenance expense per mile = $\text{maintenance expense} + \text{total miles}$

Miles per truck per week (MILTR)
 Miles per truck per week = $(\text{total miles} + \text{truck count}) + \text{number of weeks in month}$

Percentage of loaded miles (LOADM)
 Percentage of loaded miles = $(\text{revenue miles} + \text{total miles}) \times 100$

Percentage of empty miles (EMPTY)
 Percentage of empty miles = $[(\text{total miles} - \text{revenue miles}) + \text{total miles}] \times 100$

OPERATIONS

Fuel (prices, percent change)
 Fuel percentage change = $[(\text{prior price at the close of the time period} - \text{pricing at the close of current period}) + \text{pricing at the present period}] \times 100$

Operating ratio (OPRAT)
 Operating ratio = $\text{total operating costs} + \text{operating revenue} \times 100$

Gross fuel expense per mile (GFEMIL)
 Gross fuel expense per mile = $(\text{gross fuel purchased} + \text{fuel additives} + \text{diesel exhaust fluid} + \text{taxes}) + (\text{odometer miles end of period} - \text{odometer miles beginning of period})$

Percentage of gross fuel expense (GFEPCT)
 Percentage of gross fuel expense = $(\text{gross fuel purchased} + \text{fuel additives} + \text{diesel exhaust fluid} + \text{taxes}) + \text{operating revenue} \times 100$

Percentage of insurance expense (%)
 Percentage of insurance expense = $[\text{insurance expense} + (\text{linehaul revenue} + \text{accessorial revenue})] \times 100$

Loads per truck per week
 Load per truck per week = $(\text{load count} + \text{truck count}) + \text{number of weeks in month}$

PROFITS & REVENUE

Revenue per driver per week (DRVREV)
 Revenue per driver per week = $(\text{linehaul revenue} + \text{accessorial revenue}) + (\text{driver count}) + (\text{weeks in month})$

Percentage of brokerage revenue (BROREV)
 Percentage of brokerage revenue = $\text{total brokerage revenue} + (\text{brokerage} + \text{linehaul} + \text{accessorial} + \text{fuel surcharge revenue}) \times 100$

Net revenue per truck per week (NETREV)
 Net revenue per truck per week = $(\text{linehaul revenue} + \text{accessorial revenue}) + (\text{driver count} + \text{weeks in month})$



Retail Import Volumes Forecast to Rise in 2021 The Maritime Executive

- Retail imports, which were a key contributor to the surge in container traffic and port activity in the second half of 2020, are projected to continue their strength through the first half of 2021 according to new data from the National Retail Federation and Hackett Associates. The retail trade organization projects, despite the pandemic, that retail imports will set a new record for 2020 and will continue the momentum for at least the first five months of 2021.
- According to the organizations' monthly Global Port Tracker report, imports during the second half of 2020 set a string of new records, including an all-time high of 8.3m TEU for the July-October "peak season" when retailers rush to bring in merchandise for the winter holidays. Pending final numbers for December, they are projecting 2020 will have ended with a total of 21.9m TEU, up 1.5% from 2019, and breaking the previous annual record of 21.8m TEU set in 2018.
- December is projected at 2.02m TEU, which would be down 17.3% year-over-year, but still one of only six times in nearly 20 years that the monthly total has hit the 2m TEU mark.
- The Global Port Tracker is forecasting the busiest January on record with 1.96m TEU, which would be up 7.7% from a year ago. Similarly, they also see a better than 6% increase in volumes for February at 1.6m TEU.
- Last year, factories in China failed to reopen after the Lunar New Year holiday because of the coronavirus. This year, retailers and the shipping industry are expecting a steady flow of imports to the U.S. after the Lunar New Year. The Global Port Tracker forecasts a 19% increase for retail import volumes to the U.S. in March to 1.64m TEU. While they expect the growth to slow in April, the forecast still sees a 9.6% percent increase in TEUs before a strong surge as retailers prepare for the summer. May 2021 retail import volumes are forecast to increase 21.7 percent to 1.86 million TEU.
- "Nobody would have thought last spring that 2020 would be a record year for imports, but it was clearly an unpredictable year," NRF Vice President for Supply Chain and Customs Policy Jonathan Gold said. "Consumers and retailers once again proved their resilience in the face of unprecedented challenges. Thanks in part to government stimulus, retail sales saw strong growth during 2020 even with the pandemic, and import numbers show retailers expect the economic recovery will continue during 2021."



Air cargo carriers extend space guarantees, but at premium prices shippinggazette.com

- The air cargo industry is slowly rebuilding the block space agreement (BSA) structure scrapped by airlines when travel bans grounded half the available capacity in late March, but shippers looking for fixed rates out of Asia this year will pay premium prices for such guarantees.
- Airlines are beginning to extend the rate validity offered on some major trades to three months, a huge improvement from the price and space guarantees of one week or even less when all the passenger belly capacity was pulled out of service overnight at the end of the first quarter of 2020.
- Although much of that passenger capacity remains on the ground, forwarders are beginning to get on top of the demand flows, locking in space through the extensive use of charter flights and entering strictly controlled BSAs with airlines that are deploying passenger aircraft in greater numbers as all-cargo carriers.
- This has been an ongoing practice of late with steamship lines where access to empty containers for loading and deck space is commanding premiums of up to \$3,000 per FEU.

DOT lays out strategy for automated trucking [FREIGHTWAVES](https://freightwaves.com)

- The U.S. DOT released a strategy for integrating automated driving systems (ADS) into the commercial trucking and passenger vehicle sectors.
- The 38-page Automated Vehicles Comprehensive Plan (AVCP), which will be published in the Federal Register for public review and comment, “lays out a vision for the safe integration of automated vehicles into America’s transportation system while ensuring that legitimate concerns about safety, security, and privacy are addressed,” said Secretary Elaine Chao. It was one of Chao’s last public announcements before resigning from DOT on Monday.
- The AVCP notes how automated trucking companies are developing Level 4 ADS which have an “operational design domain” of limited-access highways, either from exit to exit or on-ramp to off-ramp.
- The document states that the Federal Motor Carrier Safety Administration (FMCSA) plans to host a series of sessions with ADS-equipped CMV developers, truck manufacturers, motor carriers, industry associations and other groups to further develop industry-based standards for trucks that eventually will be operated without a driver. It points out that DOT is actively studying the potential impacts of ADS on the country’s long-haul trucking workforce.



December LTL volumes 'remain healthy' FREIGHTWAVES

- Less-than-truckload volumes appeared to remain elevated during December, according to Amit Mehrotra, managing director and head of transportation and shipping research at Deutsche Bank.
- The December data indicates the sequential monthly trends were in line with “typical seasonality,” however off of a higher base. The firm’s Sunday report to clients showed activity at Old Dominion Freight Line terminals was down 10.1% from November to December, in line with the carrier’s historical 9.8% sequential decline in shipments.

Does it make sense to follow Albertson's new "last mile" strategy?



- Albertson’s recent decision to discontinue use of its own drivers and shift to third-party DoorDash for grocery delivery in certain markets makes it even more important for other grocers to consider how execution of “third-party” is changing – and in fact, moving beyond the typical players.
- Today most folks equate third-party with Instacart; they are the biggest third-party provider in grocery and played an important role during the pandemic. Other third-party providers with similar approaches, like Shipt, UberEats, etc., also offer grocers a way to outsource delivery.
- The big challenge for grocers offering delivery (by any method) is the costs it brings with it, and these costs must be lowered to make the delivery business profitable.
- Given this challenge, we anticipate that more grocers will get involved in the management of third-party delivery operations.
- Beyond the typical third-party providers (Instacart, Shipt, DoorDash, etc.,) there are at least three additional third-party approaches that grocers can adopt to reduce cost and increase their control over delivery. These approaches include:
 - Outsourcing to a large third-party supplier like Budget Rent-a-Truck.
 - Outsourcing to several smaller third-party providers, different players in different markets, that have the cost advantages of market knowledge and established relationships.
 - DIY: Creating their own gig-driven business network in which the retailer bids out the work to individual operators.



Industrial activity advancing FREIGHTWAVES

- The Manufacturing Purchasing Managers' Index (PMI) jumped to 60.7% in December, up 3.2 percentage points from November and the seventh straight month of expansion. A reading above 50% indicates expansion in the U.S. manufacturing sector.
- Manufacturing activity can account for up to 85% of LTL tonnage for some carriers. LTL demand has a high correlation to PMI data, with volumes lagging the index by roughly three months.
- The new orders subindex climbed 2.8 percentage points to 67.9%, and the production component moved 4 points higher to 64.8%. Additionally, customers' inventories remained "too low" at 37.9%, which is considered a positive sign for future production.

Regulators propose more sleeper berth flexibility FREIGHTWAVES

- The Federal Motor Carrier Safety Administration (FMCSA) is looking for drivers to participate in a proposed pilot program to evaluate splitting the 10-hour sleeper berth rest time into 6/4 and 5/5 periods.
- According to the proposal announced on Thursday, which will be open to comments for 60 days after publishing in the Federal Register, FMCSA wants to recruit 200 to 400 commercial driver's license (CDL) holders who regularly use the sleeper berth provision. The agency wants to include drivers from small, medium and large carriers as well as team drivers and owner-operators.

Borderlands: Texas border bridge expansion gets presidential permit FREIGHTWAVES

The city of Pharr, Texas, recently received authorization permits for expanding the Pharr-Reynosa International Bridge, allowing for the addition of another bridge at the Pharr port of entry on the U.S.-Mexico border.

The aim of the project is to add cargo capacity and reduce wait times at the port, said Pharr Mayor Hernandez.

"This permit amends the current permit to allow for the expansion of the Pharr International Bridge and will further support the record numbers of international trade and commerce that transpires on our port of entry," Hernandez said in a release. Coupled to recent rail access and infrastructure improvements and enhancements, the Mexican-US import/export corridor is gearing for future trade increases.



Three Stages of the Pandemic Defined by Service E2OPEN

- **Pre-Pandemic Period (January 1 to March 11)** - Until March 11, early 2020 proceeded according to “business as usual” with supply chain performance following the general patterns of the preceding 12 mths. The ratio of shipments compared to orders is a commonly used metric for customer service. In the pre-pandemic period, this metric reflected service levels that were within the range of industry norms.
- **Initial Response Period (March 11 to May 5)** - In the US everything changed on March 11. Some of the many announcements that day included the WHO officially classifying COVID-19 as a pandemic, coronavirus cases in the U.S. breaking the 1,000, rising 10-fold from the prior week and the US government banning travel from Europe. Many companies instituted work-from-home policies that week and data from the study shows that March 11 also marked the beginning of widespread customer service issues. As people prepared to hunker down at home, consumers started panic-buying goods. Demand spiked and inventory was quickly depleted. In some cases, multiple weeks’ worth of sales came in as orders in a single week, seeing rows of empty shelves. The pink area in Figure 1 illustrates the new risk of service exposure during this period. Panic-buying in the second half of March caused a significant gap between orders and shipments, leading to stockouts and even rationing by retailers for certain items. On the average, service during the initial response period was 13% lower than pre-pandemic levels.
- **First-Wave Recovery Period (May 6 to August 1)** - In early May, service levels stabilized to a new normal, marking the start of the first-wave recovery period. While better than the initial response, service during the first-wave recovery was 10% lower than pre-pandemic levels. In a European Central Bank panel discussion on November 12, 2020, U.S. Federal Reserve Chairman Jerome Powell said, “We’re not going back to the same economy. We’re recovering, but to a different economy.” In the summer, businesses entered a new normal, not pre-pandemic business as usual, suggesting a higher state of risk and a more challenging business environment overall.

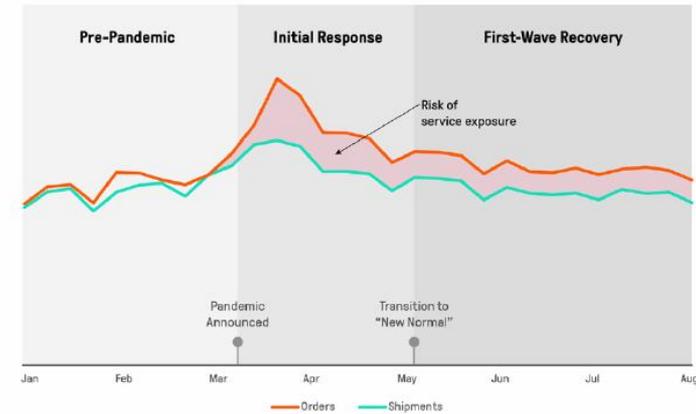


Figure 1: Pre-Pandemic, Initial Response and First-Wave Recovery Periods Based on Customer Service Data



Online retailers pay almost double in logistics costs

- Retailers with more than 50% of revenue from the online channel have logistics costs as a percentage of sales that are almost double those of their store-focused counterparts, according to Gartner.
- 2020 was a year spent primarily expanding online fulfillment capabilities, but now retail supply chain leaders are now looking for opportunities to control, contain and, where possible, reduce their associated last-mile costs. How?
 - **Focusing on packaging and product design.** Packaging designed to stand out on a retail shelf is often oversized, with expensive “romance” design aesthetics, redundant features to prevent theft and not capable of surviving the journey to the customer. In many cases, these features can lead to suboptimal packaging for online distribution.
 - **Recalibrating existing fulfillment and returns options.** The shift of in-store traffic to online channels has forced retailers to rethink their online fulfillment offerings to ensure they can sufficiently meet consumer needs in a timely and cost-effective manner. The most obvious manifestation of this process has been the rapid expansion of curbside pickup, BOPIS, and external lockers. Retailers with strong grocery offerings like Walmart, Target and Kroger had been investing in curbside operations well before the pandemic, but retailers outside of grocery have embraced touchless pick-up. Lowe’s and Home Depot have impressed customers with the speed and convenience of picking up online orders from lockers stationed just outside stores. This system isn’t limited to just home improvement; Albertsons has implemented temperature-controlled lockers for produce in some locations.
- If retailers are trying to control and potentially reduce last-mile fulfillment costs, they ought to not only offer many options, but nudge consumers towards the optimal outcome. In other words, retailers should use both economic and environmental incentives to align customers with the preferred method of fulfillment.

Benchmark Data: Higher Warehousing and Transportation Costs for Online Dominant Retailers

Average Combined Warehouse and Transport Costs as Percentage of Sales





Carrier rates: Maritime Strategies International shippinggazette.com

- SPOT freight and time charter rates in the fourth quarter have hit levels not experienced in more than 10 years driven by a tight containership market, a box shortage of a ramp-up in restocking and a surprising resilient consumer demand, reports London's Riviera Maritime Media.
- In its December containership report, London-based Maritime Strategies International (MSI) put time charter assessments for 8,500-TEU vessels at US\$36,000 per day, and \$42,000/day for 'eco' 9,000-TEU units, while 4,300-TEU box ships earnings rose to \$24,000/day compared to a low of \$7,000/day in June, and 6,500-TEU vessels surpassed \$30,000/day.
- The rate surge was an about-face from the first half of 2020 when Covid-19 dragged down demand noted the study.
- MSI expects the earnings environment to persist through to February 2021 - the end of the Lunar New Year holidays in China, as retailers in Europe and the US look to replenish their inventories.
- It will be interesting to see the final tally on Q4 2020 earnings of container shipping lines, after a blowout Q3 2020 performance in which they had net earnings of \$5.054 billion - a more than fourfold increase year on year, according to an analysis by Blue Alpha Capital founder John D McCown. Net earnings for the same 11 major container shipping lines for Q3 2019 were \$1.187 billion

How long can rate spike last? [American Shipper](http://AmericanShipper.com)

- In the case of container shipping, COVID has supercharged rates as consumers switch purchasing from services to goods. In the case of LNG, shipping rates have been driven up by extreme winter weather in Asia (LNG is used to generate power for heating), LNG production outages in Asia and Panama Canal congestion.
- According to Stifel shipping analyst Ben Nolan, "The tightness ...will doubtless ease with moderating weather. However, we believe the fact that prices are as high as they are is indicative of stronger underlying demand even after seasonal adjustments."
- According to Jefferies analyst Randy Giveans, "We expect LNG carrier spot rates will remain robust during Q1 2021 as the arb [arbitrage] window remains open."



Space on box ships out of Asia goes to the highest bidder

- To secure equipment and space on a carrier to North Europe from China, major forwarders on the mainland are engaged in fierce bidding wars, reports The Loadstar, UK.
- Several carriers are reported to have opened first- and second-round tenders with the highest bidders for guaranteed shipment this month.
- According to Chinese forwarder contacts, carriers are inviting offers for available slots on end-January sailings from Shanghai, Ningbo, Qingdao and Yantian, with all-in bids below US\$16,000 per FEU H/C for the UK and \$10,500 for Rotterdam, Antwerp and Le Havre unlikely to be successful.
- Meanwhile, the Shanghai Containerized Freight Index (SCFI), which does not include additional premium fees to guarantee equipment and space, saw its North Europe component in the week ending last Friday gaining a further nine per cent, to \$4,452 per TEU, an astonishing 344 per cent higher than for the same week of last year.
- Elsewhere, on the transpacific, the US west and east coast components of the SCFI were stable after last week's decline, with spot rates from Asia to the west coast at \$4,019 per FEU and to east coast ports at \$4,750 per FEU.

Space on box ships out of Asia now going, going, gone – to the highest bidder

- Major forwarders are engaged in fierce bidding wars in China, in order to secure equipment and space to Europe and North America.
- Several carriers are reported to have opened first- and second-round tenders with the highest bidders for guaranteed shipments this month.
- According to Chinese forwarder contacts, carriers are inviting offers for available slots on end-January sailings from Shanghai, Ningbo, Qingdao and Yantian, with all-in bids below \$16,000 per 40ft H/C for European routes and \$6,500 for North American routes.
- The search for space on box ships out of Asia is now going, going, gone – to the highest bidder appeared first on The Loadstar.
- Atop these rates are premium charges in securing empty containers and deck space.

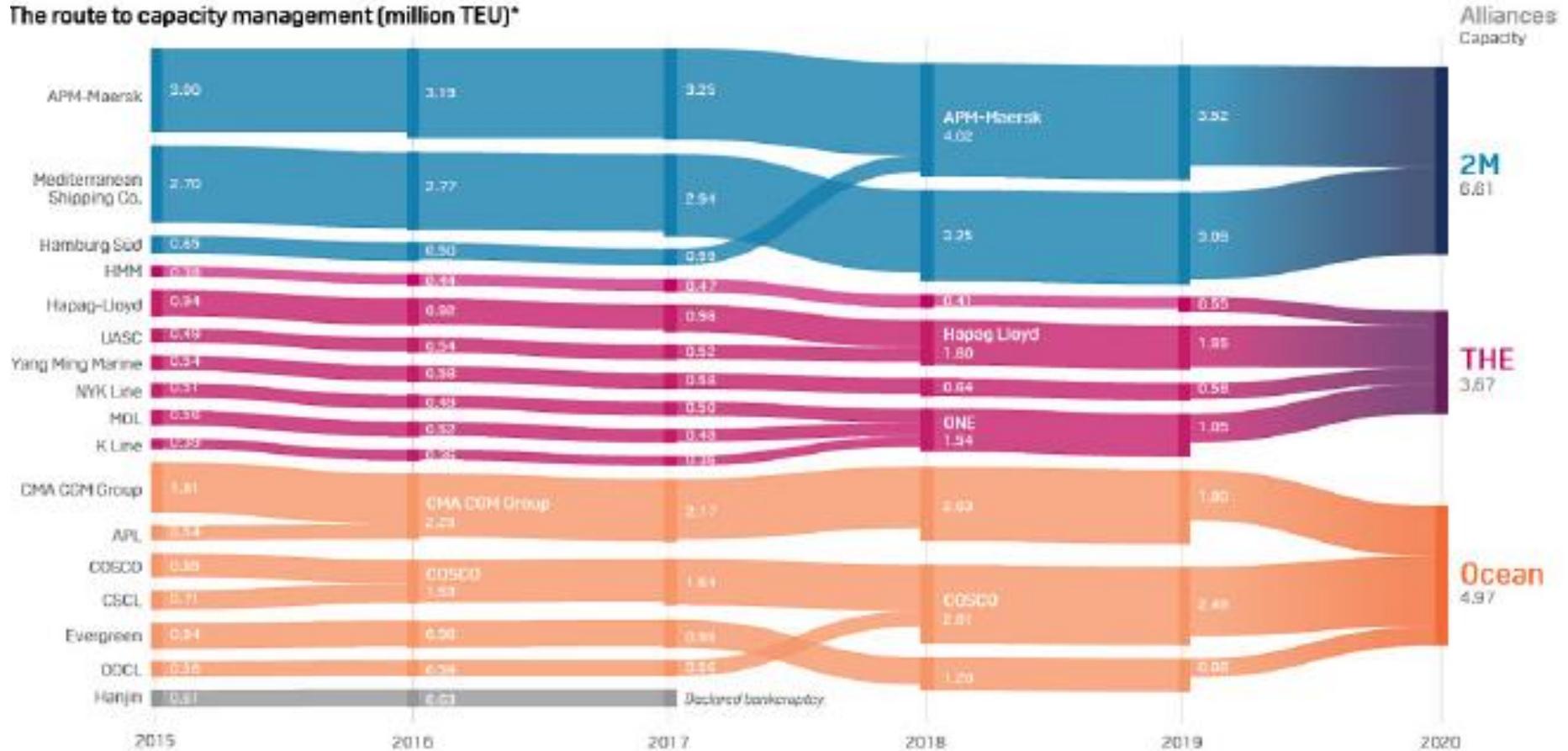


Charleston Reports Strongest December Building Momentum for 2021 [The Maritime Executive](#)

- The South Carolina Ports Authority reports that it finished 2020 with its strongest December on record, with strong volumes for containers, vehicles, and at its inland ports. The Authority is looking to build on this strong momentum by investing in the Port of Charleston to support continued growth in 2021.
- “The pandemic created unprecedented challenges to supply chains around the world,” SC Ports President and CEO Jim Newsome said. “I am immensely proud of our port employees and all those working in the maritime and logistics community for showing up every day during a pandemic to keep supply chains fluid. Their dedication ensures that food products, medical supplies, manufacturing parts, and retail goods are efficiently delivered. We are grateful to them, and we look forward to a brighter 2021.”
- In December, the container terminals in Charleston had a nearly 12% increase in volume to more than 209,000 TEUs. At the mid point in the Authority’s fiscal year, the port has handled more than 1.2m TEUs. Loaded imports were up 14.4%, while loaded exports were up 8.6%, highlighting a strong balance for ocean carriers and Southeast markets.
- Vehicle volumes were exceptionally strong in December. SC Ports reports it handled 21,228 vehicles in December, which is better than a 29 percent increase from last year and an overall monthly vehicle record for SC Ports. Thus far in fiscal year 2021, SC Ports has moved 135,747 vehicles, which is up 17.42 percent compared to the same time a year prior.
- SC Ports expect to continue the momentum in 2021 as it completes major infrastructure projects. These investments will enable SC Ports to handle four 14,000-TEU vessels simultaneously, as well as a 19,000-TEU vessel.
- The \$1 billion Phase One of Charleston’s new container terminal is expected to be completed and open in March. The terminal includes a 1,400-foot wharf, five ship-to-shore cranes with 169 feet of lift height above the wharf deck, 25 hybrid rubber-tired gantry cranes, and a 47-acre container yard.
- Modernization efforts are also ongoing at one of Charleston’s existing container terminals. This includes updating the lift capacities in 2021 with 15 ship-to-shore cranes with 155 feet of lift height above the wharf deck.
- The other significant project is the Charleston Harbor Deepening. To enable bigger ships to call at the port, the harbor is will achieve a 52 feet depth in 2021.



The route to capacity management (million TEU)*





Port Houston imports up 26% in December [American Shipper](#)

- Despite the weighty impact of the coronavirus on U.S. port volumes last spring and summer, Port Houston narrowly missed a record-setting year for container traffic.
- During its record 2019, it handled 2,990,175 TEUs. Thanks to a resurgence of imports that began in late summer, Port Houston moved 2,989,347 TEUs in 2020.
- The container influx continued in early winter. December's volume was up 4% year-over-year, from 253,830 TEUs in 2019 to 264,626 in 2020.
- The big jump in December came in loaded imports, up 26% year-over-year to 126,771 TEUs. That made for the second-highest month ever for loaded imports at Port Houston. Incidentally, the best month for loaded imports was just recorded in October.

Cruise Lines Continue to Delay Resuming European and American Cruises [The Maritime Executive](#)

- As the cruise industry approaches the one-year mark in its suspension of service, regulations and global efforts to contain and mitigate the coronavirus continued to hinder the cruise lines' ability to resume service. While a few large cruise ships have been successful in resuming limited operations, the latest outbreaks of the virus are again forcing the postponement and cancelation of cruises in Europe and North America.
- The Royal Caribbean Group today announced a new, broad range of cancellations and postponements. "As we work closely with the U.S. Centers for Disease Control and Prevention and government authorities," toward a safe resumption of service, the company said, "we are extending the suspension of certain sailings for our cruise lines."
- The Royal Caribbean International brand along with Celebrity Cruises and Azamara extended their cancellations till May 2021. The only exception is Royal Caribbean's Quantum of the Seas, which became the company's first ship to resume sailing in December offering three- and four-night cruises to nowhere from Singapore under a trial program developed by the Singapore government. Also, cruises from China aboard the line's Spectrum of the Seas were only canceled through the end of February and the group's luxury brand Silversea Cruises through April 1.
- In a surprising move, Royal Caribbean also announced that it was suspending transatlantic and Europe sailings for three of Celebrity Cruises' ships between May and October 2021.

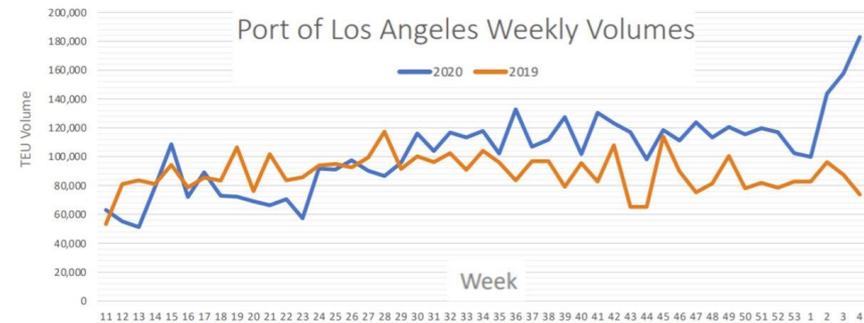
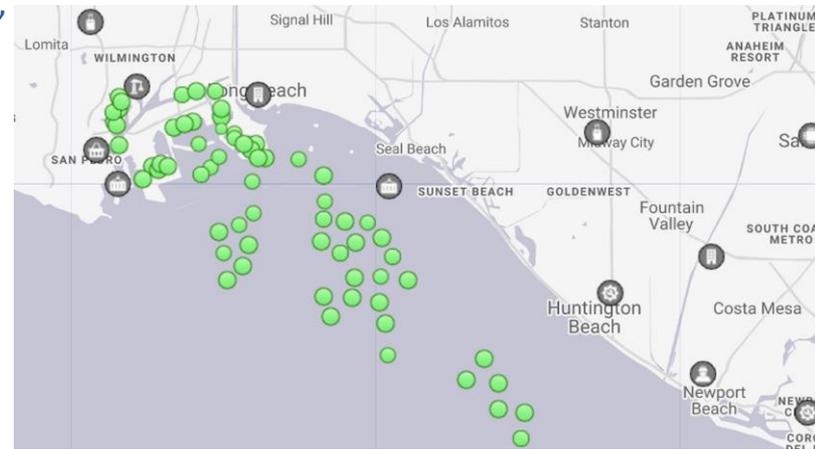


Inside California's colossal container-ship traffic jam **American Shipper**

Over 30 container ships are anchored in San Pedro Bay off Los Angeles and Long Beach. The pileup of ships offshore in San Pedro Bay and congestion onshore at the terminals have reached epic proportions. And the situation could become even more maddening in the weeks ahead.

Congestion causes

- In an alert to customers this week, carrier Hapag-Lloyd reported, "All LA/LB terminals continue to be congested due to the spike in import volumes and [this] is expected to last until February."
- "Terminals are working with limited labor and split shifts," it said, asserting that this is related to COVID. "This labor shortage affects all terminals' turnaround time for truckers, inter-terminal transfers and the number of daily appointments available for gate transactions and delays our vessel operations."
- As a result of "lack of terminal space" to service vessels, "there is a constant switching of terminals that must be kept in mind" given that containers are ending up "in the wrong terminal," said Hapag-Lloyd.
- Congestion woes are now spreading well beyond CA ports, confirmed Hapag-Lloyd. The carrier reported "heavy congestion" in Canada and "berth congestion at Maher Terminal and APM Terminals [in the Port of New York and New Jersey] impacting all services with delays of several days being experienced upon arrival."
- Unfortunately for terminals, liners are opting against canceling sailings during the Chinese holiday period next month.





Kitchen United to open 16 centers this year

- Kitchen United expects to grow its total kitchen centers from four currently to 20 by the end of the year, representing 500% growth in total units, Michael Montagano, Kitchen United CEO, said.
- The ghost kitchen provider will double down on high-value markets it is already in like Chicago, Texas and Los Angeles, while expanding into new markets with openings planned in the Bay Area this year and New York City.
- The expansion into areas like New York is supported by existing members that wanted to continue growing on the platform, Montagano said. The company reported significant volume growth of nearly 700% in 2020 compared to 2019, with its restaurant brands growing same-store sales by 400%, Montagano said.

Molson Coors Launches Its First U.S. CBD Drink in Colorado

- Truss CBD USA, a joint venture majority owned by Molson Coors Beverage Company and operated with Canadian cannabis producer Hexo, announced the U.S. launch of Veryvell, a line of sparkling, nonalcoholic CBD drinks. The beverage line will be available exclusively in Colorado.
- The company describes Veryvell as a hemp-derived, adaptogenic, sparkling CBD water with no calories or sugar. Veryvell is available to consumers online and at select retailers in three flavors: grapefruit tarragon, strawberry hibiscus and blueberry lavender.
- This is the first CBD beverage line that the beer giant is bringing to the U.S. Veryvell is already sold in Canada, along with four other brands from the Hexo partnership. But this is different from the one in Canada since the U.S. Veryvell drinks only have CBD, not THC.
- The race for big beverage companies to launch cannabis-infused drinks in the U.S. is on and Molson Coors is hoping to secure an early-mover advantage with this Colorado launch. In April, Molson Coors and Hexo announced their joint venture Truss CBS USA was exploring opportunities for non-alcohol hemp-derived CBD beverages in Colorado. In less than a year, the companies are now launching its Veryvell line.





Companies Scramble To Expand Coronavirus Vaccine Supply *The Washington Post*

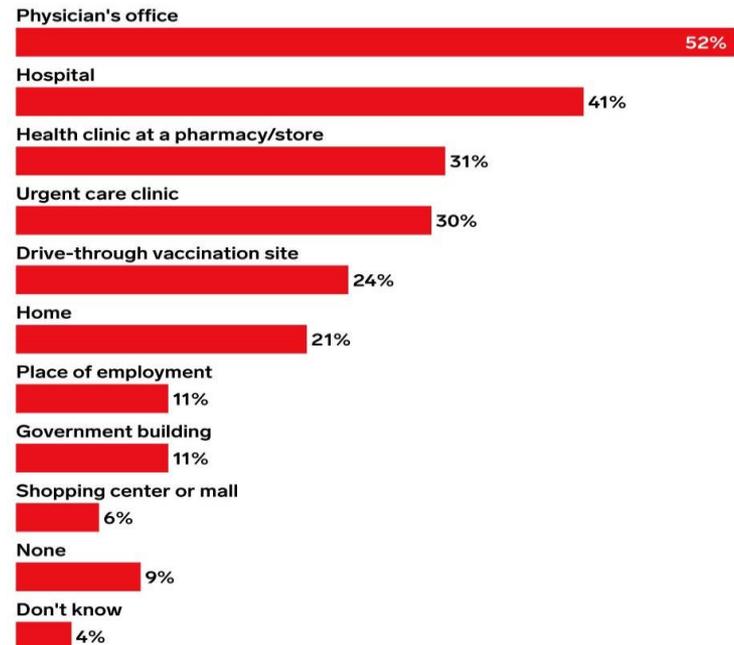
Production of the two coronavirus vaccines authorized in the United States is accelerating, even as companies with experimental vaccines nearing the end of trials struggle to meet ambitious manufacturing targets. That means the United States should have 200 million doses each from the companies with authorized shots, Pfizer-BioNTech and Moderna — enough to guarantee that more than 70 percent of adults will be able to get the two-shot vaccination by the end of July. That is comparable to the share of adults some polls suggest will be willing to roll up their sleeves.

Just 41% of US adults feel comfortable getting the coronavirus vaccine at a hospital

- Coronavirus cases are soaring, and with a potentially more contagious strain emerging around the world, the need for widespread vaccination is crucial.
- While an efficient, scaled rollout is becoming more urgent than ever, some US adults may not feel comfortable getting vaccinated at the locations the vaccine may be distributed.
- According to a December 2020 McKinsey & Company survey, more US adults (52%) would feel comfortable getting the vaccine at their physician’s office, rather than at a hospital or a health clinic (41% and 31%, respectively).
- And only 11% would feel comfortable getting the vaccine at their place of employment—a common offering for the yearly flu vaccination.
- Respondents indicate that they feel safer in their physicians rooms than in public areas like hospitals.

Where Would US Adults Feel Comfortable Getting a Coronavirus Vaccine?

% of respondents, Dec 2020



*Note: n=2,465 ages 18+
Source: McKinsey & Company as cited in company blog, Dec 10, 2020*

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eMarketer | InsiderIntelligence.com



Report Highlights Delirium, Comas In Sedated COVID-19 ICU Patients BECKER'S **HOSPITAL REVIEW**

In COVID-19 patients admitted to intensive care units (ICUs) early in the pandemic, 82% were in a comatose state at some point and 55% experienced delirium, reports a Lancet study published late last week. Previous studies have connected ICU delirium to higher costs, greater mortality risk, and long-term dementia. Patient data from 14 countries showed that 54.9% of 2,088 patients admitted to ICUs prior to Apr 28, 2020, developed delirium for a median of 3 days and 81.6% were in a coma for a median of 10 days. "This is double what is seen in non-COVID ICU patients," said Brenda Pun, DNP, RN, of Vanderbilt University Medical Center, co-first author of the study, in a Vanderbilt news release. "It is clear in our findings that many ICUs reverted to sedation practices that are not in line with best practice guidelines," Pun added.

7 healthcare transactions were megamergers in 2020 BECKER'S **HOSPITAL REVIEW**

- In 2020, there were seven hospital and health system mergers involving two companies with more than \$1 billion in annual revenue, according to an analysis by consulting firm Kaufman Hall. This compares to three megamergers announced in 2019.
- In total, there were 79 announced deals in the hospital and health system industry, down from 92 deals announced in 2019.
- Of the 79 deals announced in 2020, 37% of them involved a for-profit partner. In 2019, 23% involved a for-profit partner.
- According to Kaufman Hall, although the pandemic was a factor driving the decline in announced deals, it may also serve as a catalyst for innovative strategic partnerships.
- "It appears that COVID-19 has actually confirmed the strategic rationale underlying many transactions that were already underway and may be acting as a catalyst for innovative strategic partnerships and tactical transactions," Kaufman Hall said. "The pandemic has accelerated the need for strategic initiatives that address the opportunities of industry transformation and that reward well-thought-out alignment opportunities." This has been evident across the sector.



Mark Cuban Wades Into Medicine With A New Generic Drug Company

Mark Cuban turns down new business opportunities on Shark Tank by declaring “I’m out!” But when it comes to generic drugs, Cuban is now all in. In an unexpected move, the high-profile billionaire has launched the Mark Cuban Cost Plus Drug Company, which its website says is “dedicated to producing low-cost versions of high-cost generic drugs” and claims that everyone will get the same low price for every drug it makes.

FDA Outlines Approach To AI Oversight In Medical Devices

The Food and Drug Administration on Tuesday released a five-pronged plan to underpin its approach to regulating medical software with artificial intelligence or machine learning components, including plans to issue new guidance for how developers modify such software. The document represents the first so-called "action plan" the FDA has released on the topic. Agency officials plan to update its approach as technology and research advance. "To stay current and address patient safety and improve access to these promising technologies, we anticipate that this action plan will continue to evolve over time," said Bakul Patel, director of the Digital Health Center of Excellence in the FDA's Center for Devices and Radiological Health, in a statement.

Depression, Anxiety, PTSD Reported In ICU Staff During Pandemic

- 45.4% of ICU physicians, nurses, and other healthcare workers in England reported a mental disorder during the pandemic, including suicidal thoughts, according to survey results published in Occupational Medicine yesterday.
- Across June and July 2020, 709 ICU healthcare workers from nine ICUs voluntarily completed the 5-minute online survey. The researchers integrated components from the Generalized Anxiety Disorder scale, the Patient Health Questionnaire (for depression), the post-traumatic stress disorder (PTSD) checklist for civilians, the AUDIT-C score to evaluate drinking habits, and the Warwick Edinburgh Mental Wellbeing Scale (WEMWBS).
- Respondents' mental health problems included depression (43.3%), anxiety (36.7%), probable PTSD (39.5%), and alcohol abuse (7.2%). Of special concern, 13% of respondents said that, in the past 2 weeks, they thought they might be better off dead or thought about self-harm.
- The researchers noted that nurses reported greater mental health burdens than physicians.



Ransomware attack hits short line rail operator OmniTRAX FREIGHTWAVES

Colorado-based short line rail operator and logistics provider OmniTRAX was hit by a recent ransomware attack and data theft that targeted its corporate parent, Broe Group. OmniTRAX confirmed to FreightWaves that the cyberattack had occurred after the Conti ransomware gang posted stolen data from a leak site. The company, however, provided no details about the incident and whether it impacted any operations.



Top-10 tips for improving cybersecurity

For security professionals

1. Update security policies
2. Require strong authentication for all users
3. Refresh your network security controls
4. Prepare for compromises
5. Keep your security knowledge current
6. Improve employee awareness of security

For employees

7. **Be skeptical.** Always do a sanity check before you open an attachment, click on a link or provide sensitive information.
8. **Be selective.** Use private networks, such as your home network, instead of public networks like the public Wi-Fi at the local coffee shop.
9. **Be organized.** Create a unique strong password for each website and app and use a password manager program that remembers all your passwords.
10. **Be prepared.** Use antimalware software and keep your operating system and applications fully patched. Make sure your data is backed up.

SOURCE: NAREN SCARFING, ILLUSTRATION: INVISIBIL, BULGOKO/WETTY IMAGES

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GM reveals electric delivery van with connected pallets FREIGHTWAVES

- GM flung itself into the battery-electric commercial delivery and freight-tech businesses Tuesday, revealing an electric-powered cargo van and a connected pallet system for getting goods from the vehicle to customers' doorsteps.
- The automaker had hinted it was working on a battery-powered electric van. CEO Mary Barra announced the creation of a startup, BrightDrop, during a digital keynote address for CES 2021. BrightDrop joins GM Defense and two recent OnStar spinoffs to come out of GM's Global Innovation organization.
- The EV600 gross vehicle weight rating is less than 10,000 pounds. It has more than 600 cubic feet of cargo area with motion sensors to help keep cargo secure. Powered by GM's Ultium battery system, the estimated driving range on a full charge is 250 miles. With 120-kW fast-charging, the EV600 can add 170 miles of range in an hour.
- EV600 connectivity provides fleet operators remote access, real-time location, battery and charging management, driver safety coaching and incident recording, remote diagnostics, safety alerts and predictive maintenance insights, and over-the-air updates.



Siemens Invests \$150 Million in Offshore Wind-to-Hydrogen Systems [The Maritime Executive](#)

- Siemens Gamesa and Siemens Energy have announced a major investment in R&D on an offshore wind-powered green hydrogen production system. The two companies will be spending about \$150M to develop the project.
- "I don't know any other company that combines wind energy, electrolysis and offshore high voltage technology all in one enterprise," said Christian Bruch, chief executive of Siemens Energy.
- The project involves reworking the 14 mega-watt turbine in order to integrate it with the requirements of running electrolyzers. The design will use an electrolyzer array installed at the base of the offshore wind turbine tower.





GM to build Honda electric vehicle in Mexico FREIGHTWAVES

- General Motors Co. will build Honda and Acura-branded electric crossovers in Mexico and Tennessee starting in 2023, Automotive News reported Wednesday.
- The Honda electric vehicle reportedly will be assembled at the GM plant in the northern Mexico city of Ramos Arizpe, about 175 miles from Laredo, Texas. GM assembles its Chevrolet Blazer and Equinox at the same location.



US 3-wheeled electric vehicle maker buys 5x larger factory, eyes mass production

- Eugene, Oregon-based Arcimoto has agreed to purchase a new, larger factory space to produce its three-wheeled electric vehicles. The 185,000 ft² (17,000 m²) factory represents a five-fold increase in manufacturing space compared to the company's current factory.
- The electric vehicle startup declared last year that it expected to reach a production capacity of 50,000 vehicles per year within the next two years.
- That's a lofty goal for a company that has only recently achieved a total production in the triple digits.



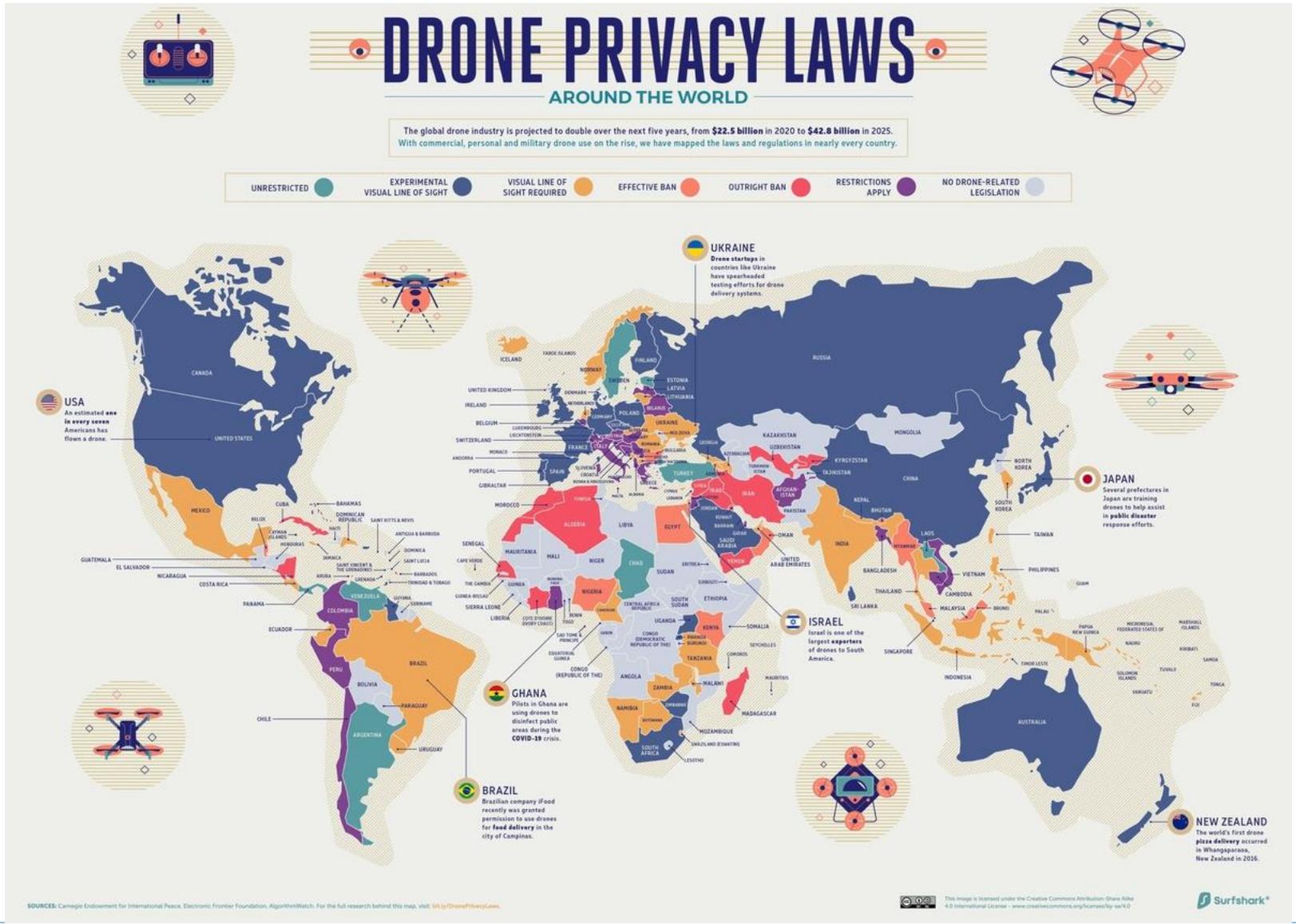
This plane could run on friction energy from flight

- The air is full of electricity that can be recovered through the friction generated by the plane in flight and on the wings, instead of the fuel tanks, triboelectric nanogenerators can be placed that can generate the energy necessary to drive several smaller electric motors through the vibration of the structure and the friction generated by the bending of the wings during flight.
- "In this case, the battery pack needed for transportation should only satisfy the need for take-off and landing. The flight itself could generate the energy needed to maintain it and, probably, to charge the batteries, " says the expert.



Nothing is Impossible

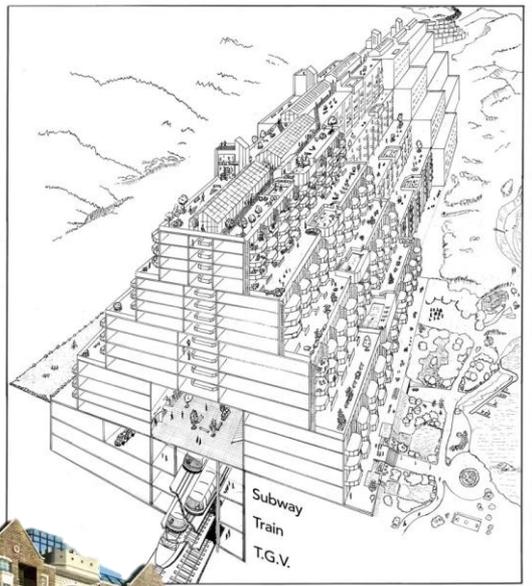
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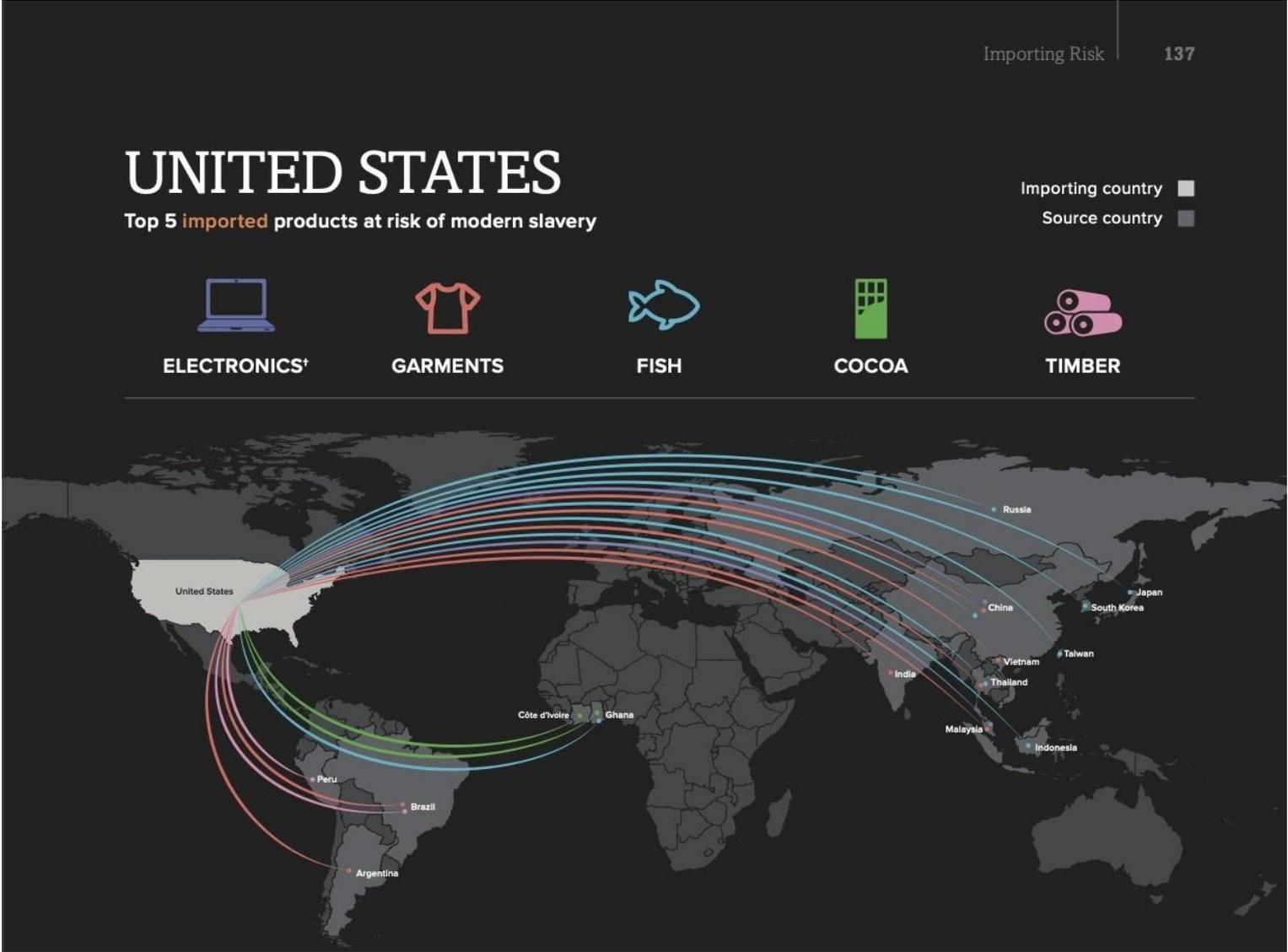
- Montreal architect Gilles Gauthier , like Chambless a hundred years earlier who designed a long, linear building with a railway in the bottom and a promenade on top, puts the transport system at the bottom, but in three layers: a local metro/subway, a regular train, and then a high-speed train at the bottom. One can also rent small electric vehicles and carts so that goods can be moved without the use of cars or trucks. It's also got the world's longest mall above that.
- Gauthier's Linear City brings several solutions to our ecological and sociological problems, aiming at increasing our quality of life by bringing the country-side to the city and a public transportation more efficient than personal cars, that are a major source of noise and pollution."
- Gauthier tells Treehugger: "This is my contribution to try to make cities for billions of people with functional public transport, ecological cities and better social contacts and this with a realistic transition."
- Land use and transportation are the same things, in different languages, said Jarred Walker once. The linear city, in all of its incarnations, demonstrates how the transportation really is driving the built form and land use concept. They are the same thing. There are a hundred years between Chambless's Roadtown and Gauthier's Linear City, but the only major difference is that of scale. The principles are one and the same and make as much sense as ever.

treehugger



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