

Mexico Market Transportation Update

February 12, 2021



SCHNEIDER

TRANSPORTATION MARKET UPDATE

Schneider's goal is to provide the latest market insights to help you navigate the ongoing market volatility.

Whether moving a critical load, keeping your supply chain going or long-term planning, Schneider remains committed to safely and securely delivering your freight.

Schneider leverages data and analytics from multiple sources to provide the most up-to-date insights available including, but not limited to, FTR, DAT, FreightWaves SONAR, Cass Information Systems, Inc., FleetOwner, FMCSA, The New York Times, ATRI and Transport Topics. For the latest information and updates, visit [Schneider's Trending Topics page](#).

DON'T MISS OUR NEXT VIRTUAL EVENT: CROSS-BORDER CAPACITY CRUNCH...SOLVE FOR THE NEW NORMAL

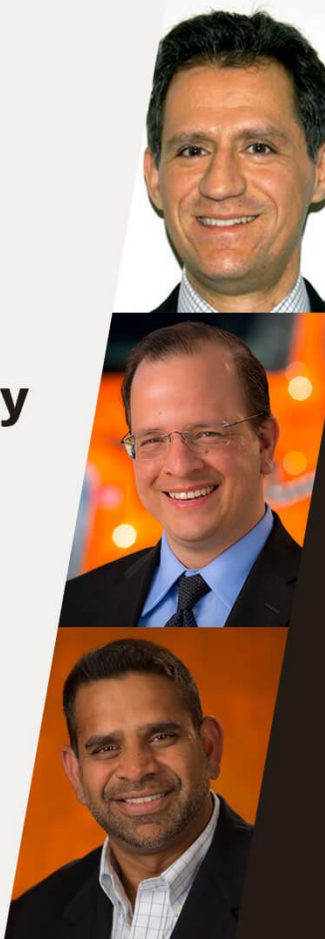


Virtual event

Cross-border capacity crunch: Solve for the new normal

Thursday, March 4
12 p.m. CST

Kenneth Smith Ramos, AGON
Bernardo Rodarte and Haroon Syed
Schneider



Join us for a conversation with **Kenneth Smith Ramos**, currently partner at AGON, a Mexican Consulting firm that specializes in international trade. Smith Ramos previously served as Mexico's Chief Negotiator for the modernization of the North American Free Trade Agreement (NAFTA), that led to the signing of the USMCA.

- Current state of international trade in the North American region, with emphasis on the impacts of the free trade agreement between Mexico, the United States and Canada.
- Impacts of the COVID-19 pandemic on trade between Mexico and the United States.
- Policies in Mexico and the United States that could represent incentives, or obstacles, for foreign investment.
- Solutions for shippers to gain the cross-border capacity needed to meet demand, including multi-modal and dedicated solutions.

[Register here](#) for the March 4th event, in both English and Spanish.

FACILITATING A DROP TRAILER SOLUTION FOR OPTIMIZED CROSS-BORDER MOVES

A PPE manufacturer working with Schneider needed help moving its products across the U.S./Mexico border during the pandemic. Within hours, Schneider's U.S. and Mexico teams worked together to drop 10 trailers and build up a pool of 25 to accommodate increased requirements. The Van Truckload and Brokerage teams also provided the manufacturer with:



A custom, out-of-the-box drop trailer solution



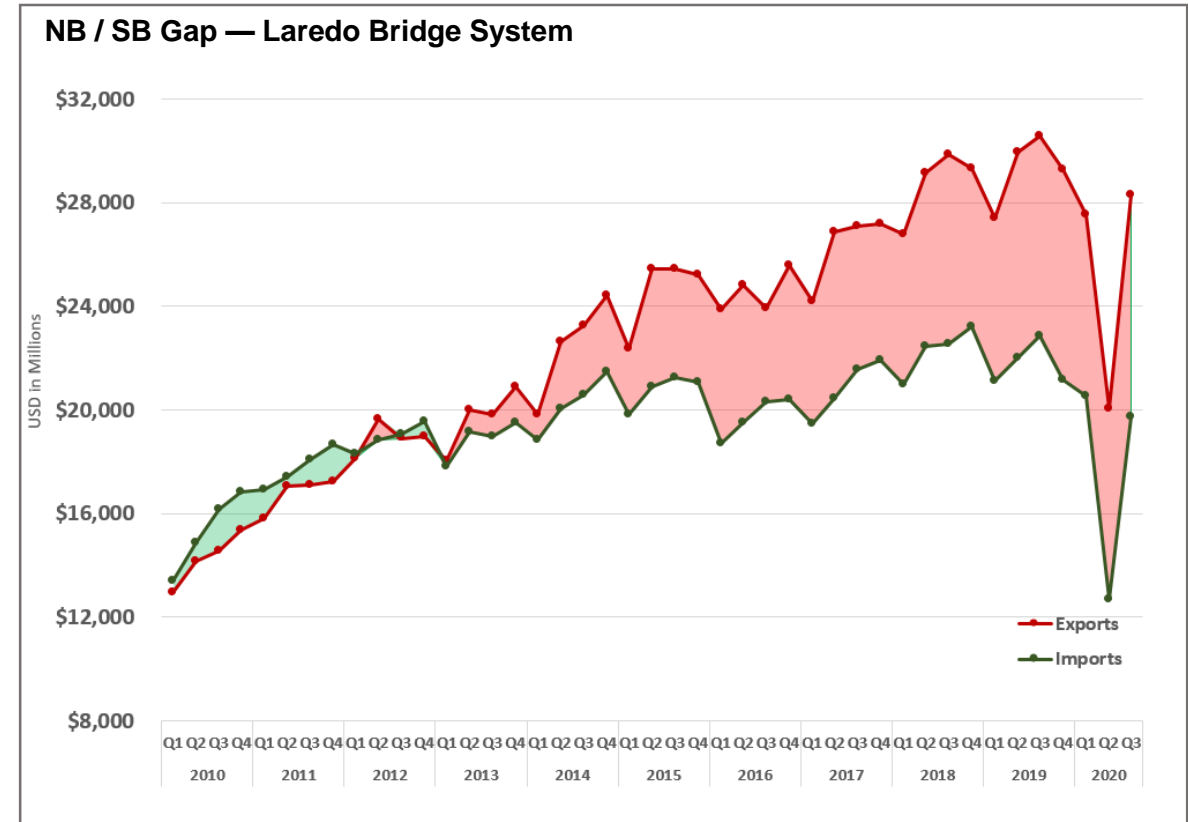
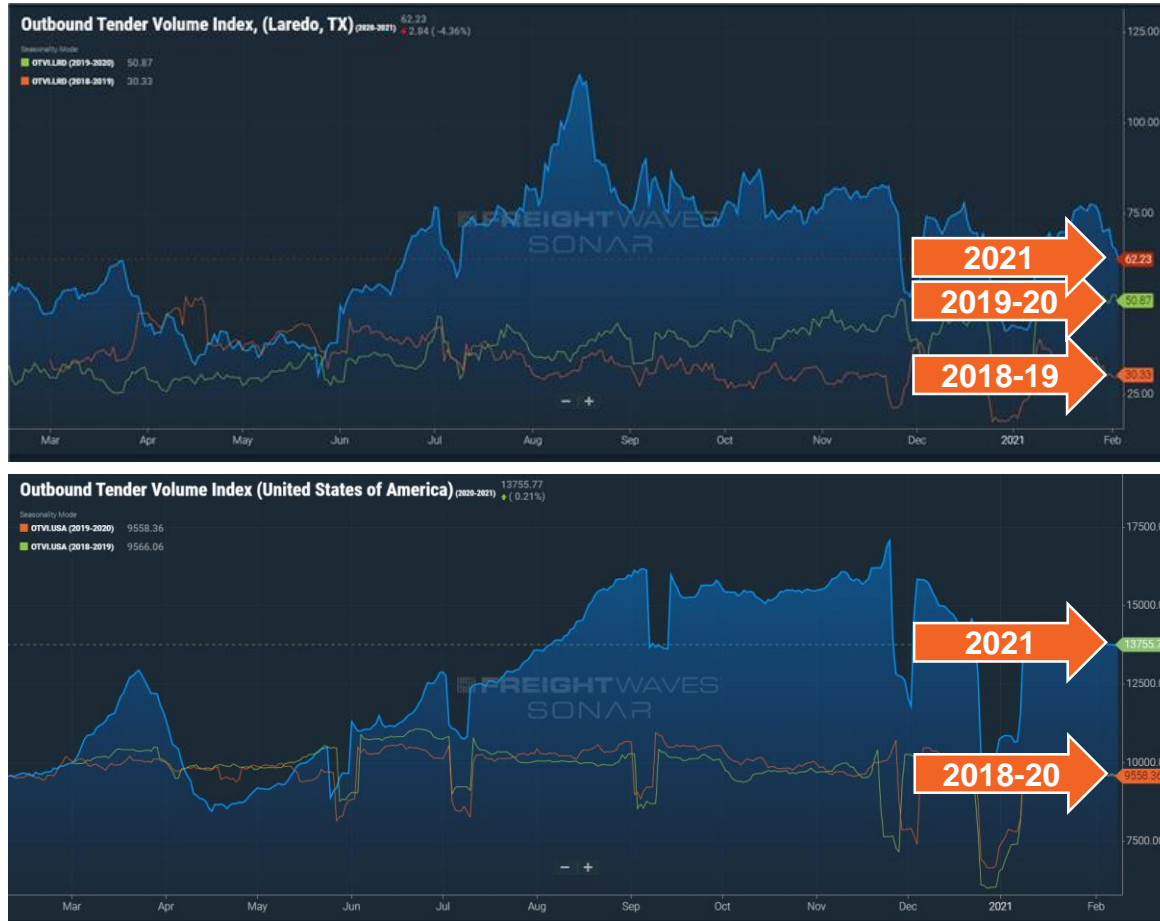
A blended cross-border solution that fit the manufacturer's network



Comprehensive inbound and outbound shipping options to increase capacity and improve service

[Read the case study](#)

U.S. AND MEXICO CAPACITY DEMAND HAS BEEN AT UNPRECEDENTED LEVELS – AND IS COMPOUNDED BY THE NB/SB CAPACITY GAPS AT THE BORDER



Sources: FreightWaves SONAR and INEGI; Updated 2/9/2021

IN THE NEWS: PHARR BRIDGE EXPANSION

The city of Pharr, Texas, recently received a presidential permit authorizing the expansion of the Pharr-Reynosa International Bridge.

The permit, which was issued Dec. 31 by President Donald Trump, allows for the addition of another bridge at the Pharr port of entry on the U.S.-Mexico border.

The second bridge will add cargo capacity and reduce wait times at the port by adding two new lanes to separate trucks and cars, while dedicating specific lanes for empty cargo trucks and full cargo trucks, and Customs-Trade Partnership Against Terrorism (CTPAT) certified cargo trucks.

Pharr-Reynosa International Bridge is one of the busiest commercial border crossings on the U.S.-Mexico border. Pharr had 623,155 truck crossings during fiscal year 2018-19.

Sources: freightwaves.com; Updated 2/10/2021



Photo: FreightWaves, CBP

IN THE NEWS: WAREHOUSING AND LOGISTICS PORT PLANNED FOR LAREDO

Spurred by strong U.S.-Mexico trade, there are plans to build a \$1 billion distribution center, warehouse and manufacturing port in Laredo, Texas.

The long-term plan calls for six phases and 14 million-square-feet of spec industrial development, primarily distribution, warehouse and manufacturing space at the port.

The first-phase buildings at Port Grande totaling about 800,000 square feet are 100% leased.

Located just east of I-35, Port Grande is 10 miles from the Port of Laredo commercial border crossings, where approximately 60% of all trade between the U.S. and Mexico occurs, according to the Department of Transportation.



Photo: FreightWaves, Majestic Realty

Need warehousing or port logistics services in/near Laredo? Schneider can help.
[Learn more.](#)

Sources: freightwaves.com; Updated 2/10/2021

THIS IS THE TIME TO RE-EVALUATE YOUR SUPPLY CHAIN, OPTIMIZING COST, CAPACITY AND SERVICE

Capacity issues are not expected to go away anytime soon, so expect to continue experiencing challenges in achieving the cost, capacity and service you need with your cross-border freight over the next few months.

Strategies to evaluate for your supply chain:

- Multimodal capacity options
- Dedicated transportation
- Network modeling



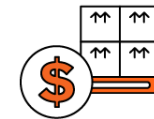
Materials



Labor costs



Selling



Manufacturing costs



Logistics and transportation



Tariffs



General and administrative expense (SG&A)

Network modeling, for the now – or the future – becomes even more important.

[Learn more with our position paper: *Supply chains in flux? What to do now?*](#)

ALWAYS DELIVERING, ALWAYS AHEAD

Schneider FreightPower® delivers expanded, flexible capacity options for shippers, regardless of market condition or location. Start harnessing the power of [Schneider FreightPower®](#) today and set your business up for success.

SCHNEIDER[®]

The logo features the word "SCHNEIDER" in a bold, orange, sans-serif font. Below the text is a thick orange horizontal line that has a small, sharp upward-pointing notch in its center.