

# Transportation Market Update

October 1, 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](#).



## In the news: Container ships now piling up at anchorages off China's ports

Port congestion is not a problem only in the U.S., but in China as well. While more than 60 container ships of import cargo are stuck offshore of Los Angeles and Long Beach, there are more than double – 154 – waiting to export cargo off Shanghai and Ningbo, China – and more than 240 waiting for berths countrywide.

**The good news?** It could temporarily alleviate pressure on California ports.



Source: Shutterstock; Container terminal in Shanghai

[Read article](#)

Sources: [freightwaves.com](https://freightwaves.com); 9/27/21

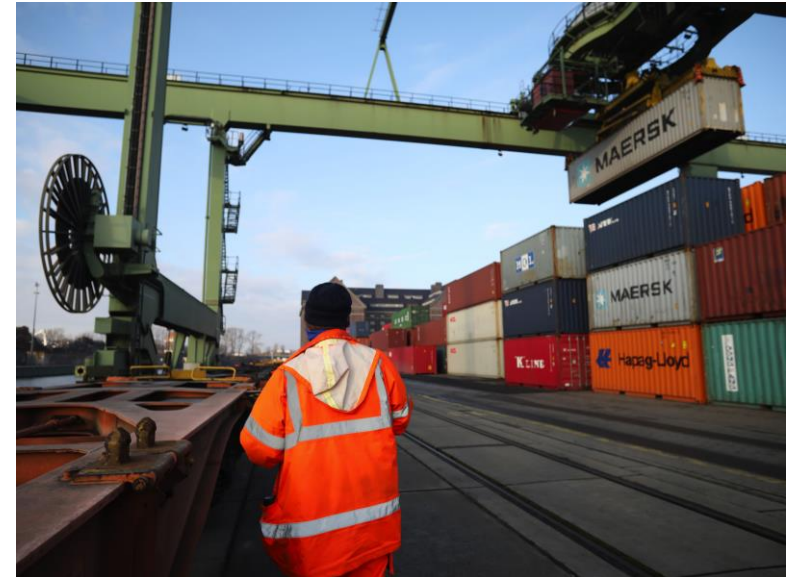
## In the news: Containers piling up at U.S. rail yards add to port strains

To understand why more than 100 container ships are waiting to enter U.S. ports from Southern California to Savannah, Georgia, it helps to keep tabs on the congestion that's building at another key junction of freight transportation: rail yards.

The dwell time for containers at 11 major railroad depots reached an average of 9.8 days this month. That's up from 6.7 days in May and 5.9 in February. Leading the pack is Los Angeles, where containers wait an average of almost 16 days before being picked up.

On top of the strong demand for imports, a big part of the problem is a shortage of truck drivers to collect and drop off the 20- and 40-foot steel boxes, as executives of packaged goods giant General Mills Inc. pointed out during a recent earnings call.

[Read article](#)



Source: Bloomberg

Sources: [supplychainbrain.com](https://supplychainbrain.com); 9/27/21

## **In the news: Port of Long Beach Pier T terminal begins pilot program for 24-hour cargo pickup**

As seen in the articles in this market update, the number of cargo ships waiting off the California coast are at all-time highs. The Port of Long Beach is starting a pilot program for 24-hour cargo pickup in response.

The pilot program at the Port's largest terminal focuses on the effort to reduce "dwell" – the amount of time cargo spends waiting for pickup on the dock. The terminal is taking two significant steps to increase cargo pickup in the late night, early morning hours, when there is less traffic on the region's freeways and surface streets.

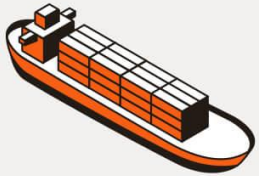
The pilot project meshes with the recently announced joint effort with the neighboring Port of Los Angeles and the U.S. Department of Transportation to extend terminal hours to improve freight movement and reduce delays at the San Pedro Bay port complex.

**[Read article](#)**

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Sources: [ajot.com](https://www.ajot.com); 9/27/21

# Take the next step towards solving your import challenges. Register for our next virtual event on **October 7: Creative solutions for your import supply chain**



Virtual event

## **Creative solutions for your import supply chain**

**Thursday, October 7**  
12 p.m. CST

Dan Flaherty, Schneider  
Mark Szakonyi, Journal of Commerce  
Kevin O'Donnell, McKesson



Record high import volumes have been impacting shippers moving freight into and out of the U.S., through port operations and distribution networks. Meanwhile, market predictions show capacity issues aren't going away anytime soon. Join us to:

- Understand key developments of the current import market and a look forward into trends that will continue well into 2022.
- Learn how Schneider is helping shippers respond to these challenges with creative transload, dray and warehousing solutions for obtaining capacity and maintaining speed to market.
- Share your questions in an anonymous forum.

**[Register now](#)**



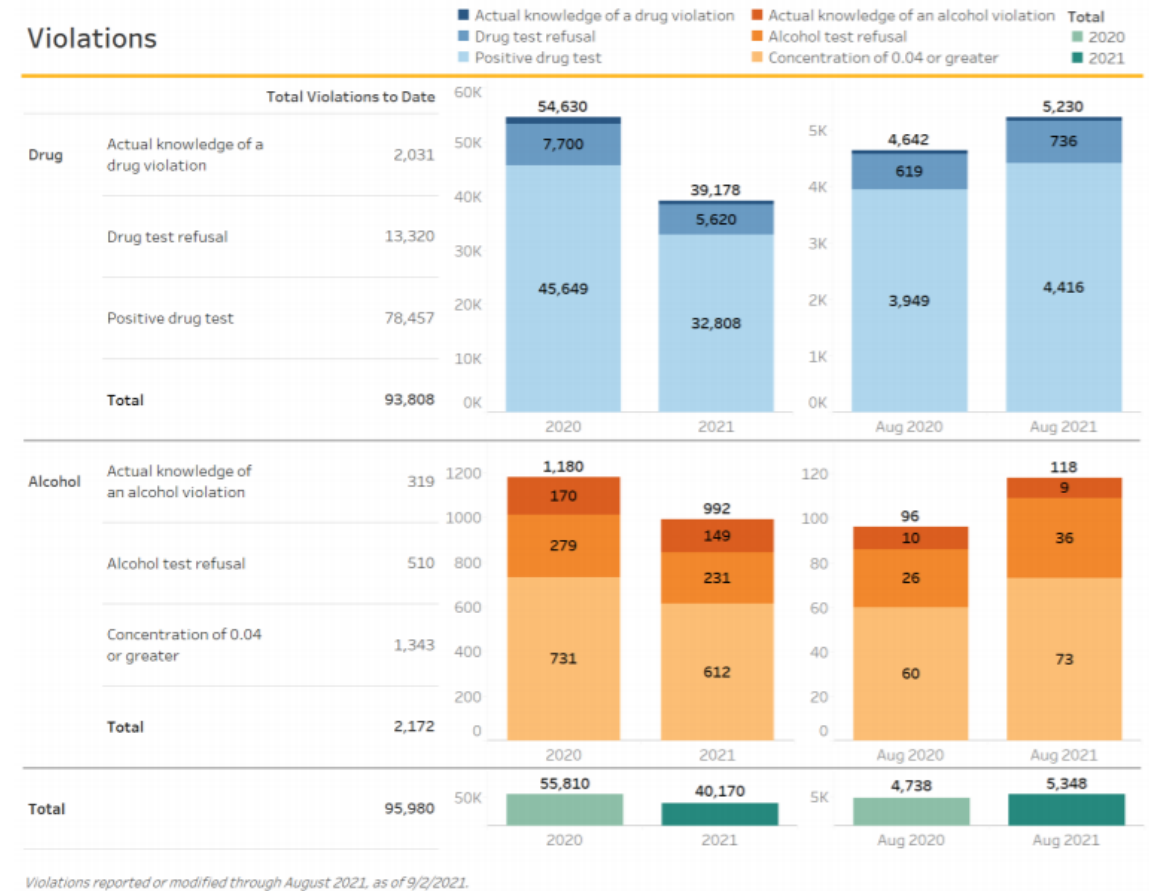
## In the news: Driver positive drug tests up nearly 13% through August and it's affecting the driver shortage

- Since the Clearinghouse went into effect Jan. 6, 2020, the number of positive driver drug tests has reached 95,740.
- Positive drug tests account for 82% of the violations reported, according to FMCSA.
- Positive marijuana tests account for more than 53% of the total number of drug violations.

To date, it's been found that the majority of drivers with violations are not enrolling in return-to-work programs, exacerbating the driver shortage.

[Read article](#)

[Read the Drug and Alcohol Clearinghouse Report](#)

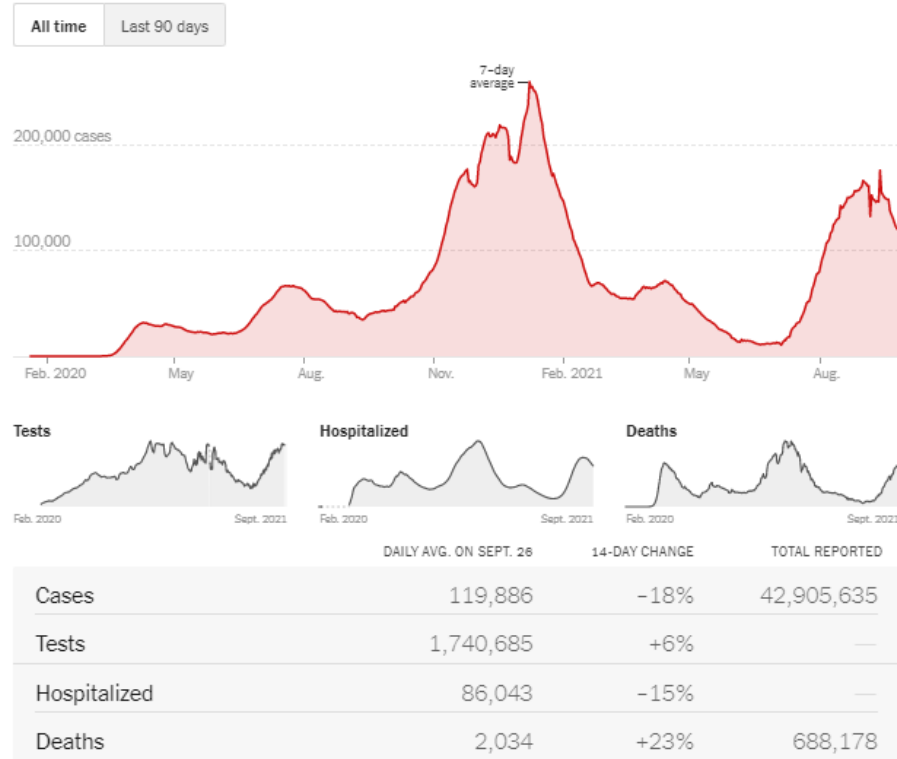


Source: Drug and Alcohol Clearinghouse, August 2021

Sources: [ttnews.com](https://ttnews.com), [clearinghouse.fmcsa.gov](https://clearinghouse.fmcsa.gov); 9/27/21

# COVID-19 cases are declining but deaths increase; The Delta variant continues to cross the country – from the Upper Midwest, to Northwest and Alaska.

## New reported cases



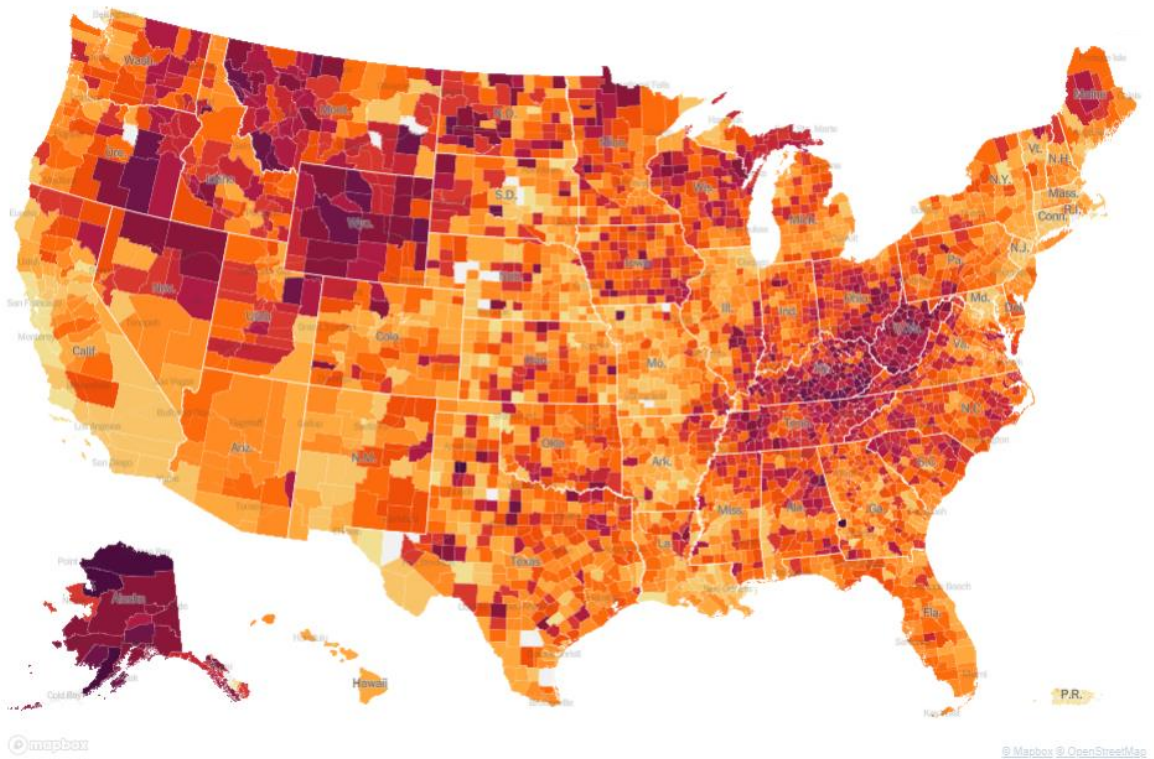
### About this data:

Sources: State and local health agencies (cases, deaths); U.S. Department of Health and Human Services (tests, hospitalizations). Tests, hospitalizations and deaths show seven-day averages. Hospitalization data may not yet be available for yesterday. The number of average tests is for the most recent day for which all states have reported data. 14-day change is hidden if not enough data is available to make a comparison. Figures shown are the most recent data available.

## Hot spots

AVERAGE DAILY CASES PER 100,000 PEOPLE IN PAST WEEK

10 30 50 70 100 200 FEW OR NO CASES



### About this data:

The hot spots map shows the share of population with a new reported case over the last week.

Source: [nytimes.com](https://www.nytimes.com); Updated 9/27/2021



## Vaccination rates continue to be slow but consistent

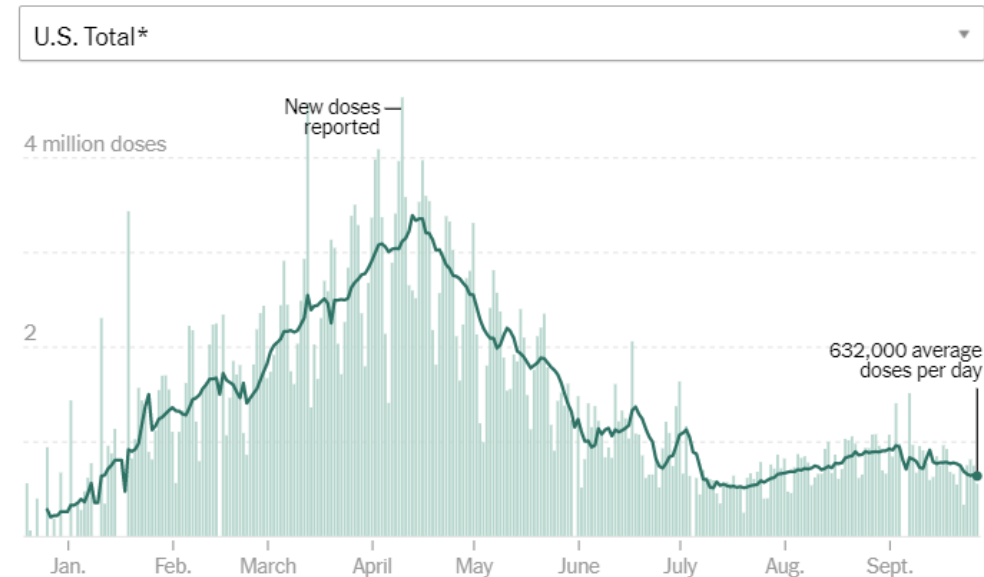
More than 6.13 billion vaccine doses have been administered worldwide, equal to 80 doses for every 100 people.

Percent of population vaccinated (9/27/21)		
	Vaccinated	Fully vaccinated
United States	64%	55%
Canada	77%	71%
Mexico	50%	35%

Source: [cdc.gov](https://www.cdc.gov), [nytimes.com](https://www.nytimes.com), [nytimes.com](https://www.nytimes.com); Updated 9/27/21

Providers are administering about 632,000 doses per day on average, about an 81 percent decrease from the peak of 3.38 million reported on April 13.

New reported doses administered by day

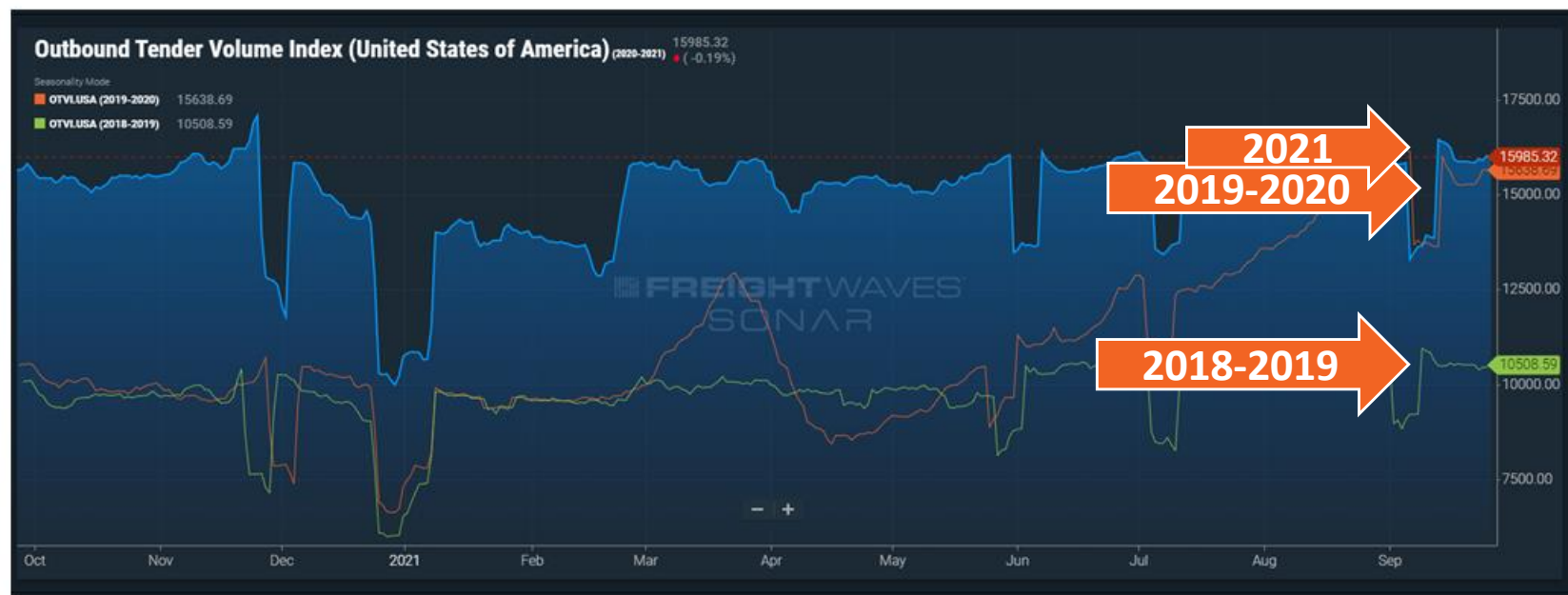


Source: Centers for Disease Control and Prevention | Note: Line shows a seven-day average. Data not updated on some weekends and holidays. Includes the Johnson & Johnson vaccine as of March 5. The C.D.C., in collaboration with the states, sometimes revises data or reports a single-day large increase in vaccinations from previous dates, which can cause an irregular pattern in the daily reported figures.

**Important Reminder:** As you review the next slides and the related YoY data, keep in mind that it was in April of 2020 when we saw tender volumes and rejects begin to plummet as businesses were forced to close due to lockdowns caused by the COVID-19 pandemic. The Outbound Tender Volume Index bottomed out on April 16th at 8439.35, while Overall Outbound Tender Rejects bottomed out on April 30th at 2.57%. After this time, both volumes and rejects began their slow climb upwards to extremely elevated levels.

## Outbound Tender Volume Index

Compared to the Outbound Tender Volume Index levels during this time in the previous two years, current OTVI is 2.09% higher than 2020 and 52.23% higher than 2019. Levels drastically dipped during the U.S. Labor Day weekend, consistent with the past.



*Outbound tender volumes represent demand for capacity in the origin area. An increase in volume represents an increase in demand.*

Source: FreightWaves; Updated 9/27/2021

# Outbound Tender Volume Index

This chart combines the current year-to-date trend with full year trends from 2018-2020. You will see consistent trends in reduced outbound tender volumes during holidays. More importantly, it shows the sustained length of time that record-level outbound tender volumes have remained. Compared to the Outbound Tender Volume Index levels during this time in the previous two years, current OTVI 2.09% higher than 2020 and 52.23% higher than 2019.



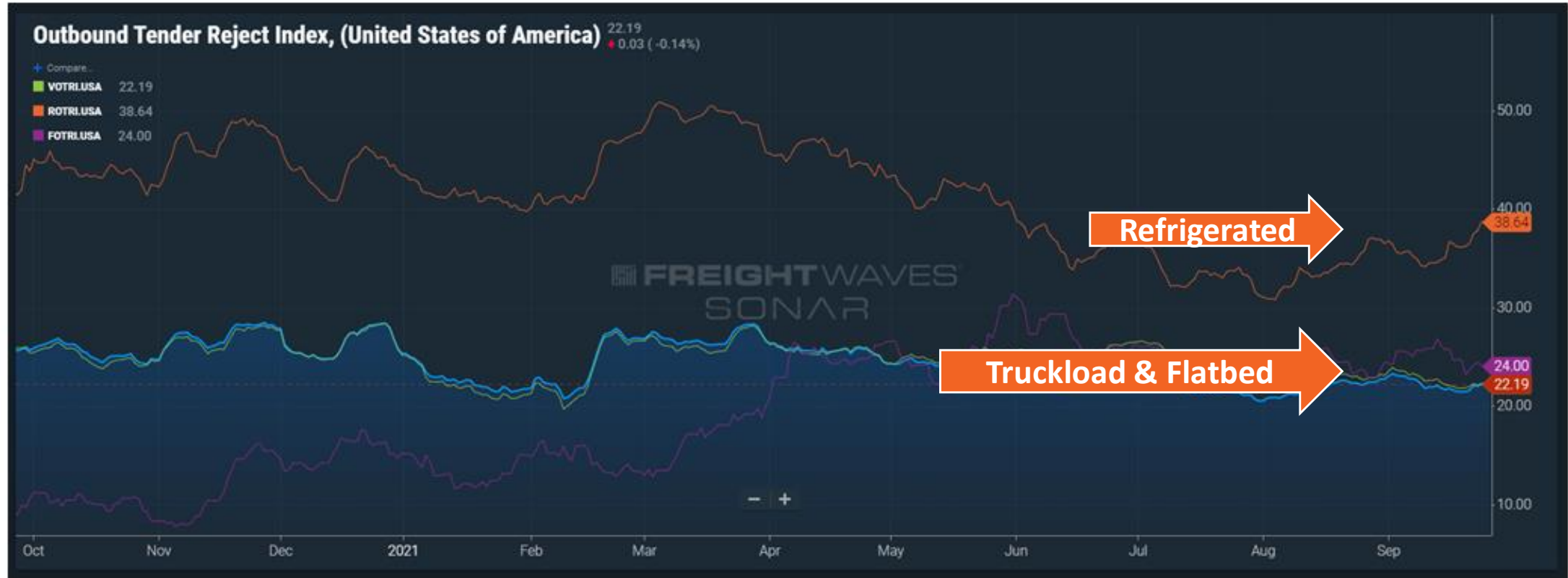
Outbound tender volumes represent demand for capacity in the origin area. An increase in volume represents an increase in demand.

Source: FreightWaves; Updated 9/27/2021



# Outbound Tender Reject Index

Outbound Tender Rejects are declining but are consistent at 22.19% overall. Truckload rejects are at 22.19%, Flatbed rejects are around 24% and Reefer rejects are highest at 38.64%.



Outbound tender rejects are an indication of available capacity in the origin market of the freight. If rejections are increasing, capacity may be tightening in that area.

Source: FreightWaves; Updated 9/13/2021

## Outbound Tender Reject Index by length of haul

The graph below details outbound tender rejects based on length of haul, regardless of mode. Since our last report, rejects have stayed consistent for most lengths of haul, except for a small increase in short-haul.

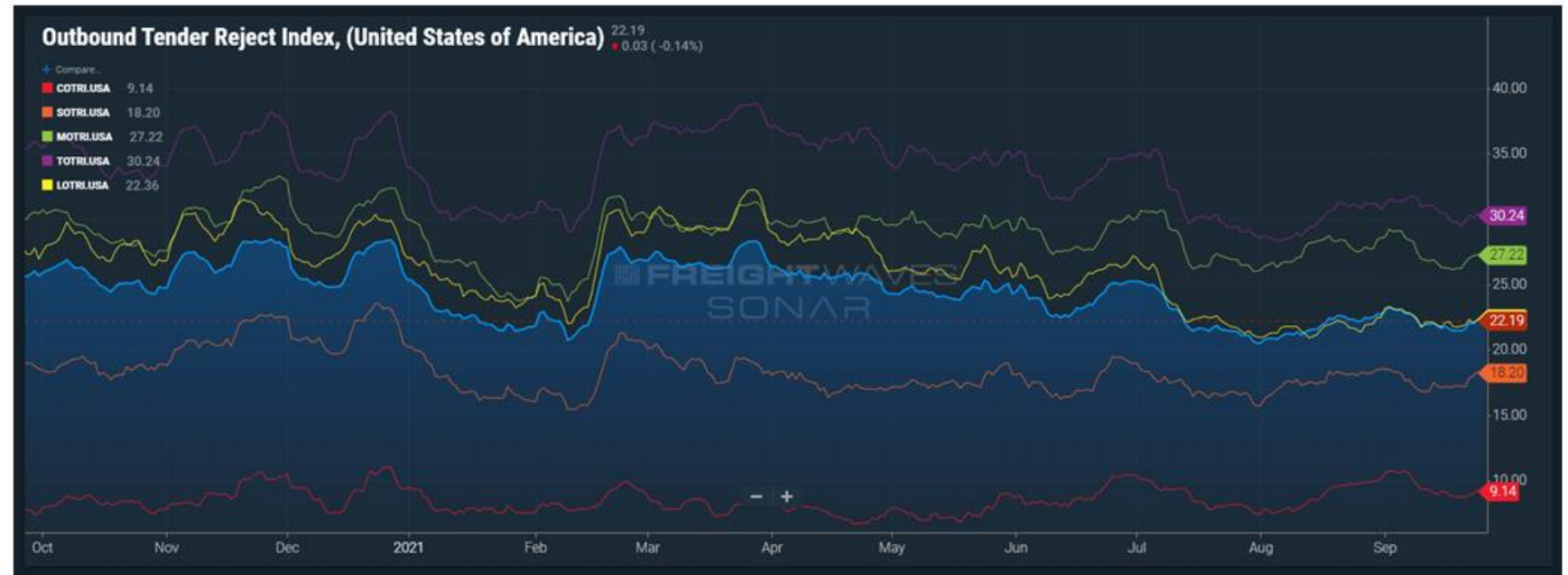
City/local (< 100 miles): 9.14%

Short-haul (100-250 miles): 18.20% ↑

Mid-haul (250-450 miles): 27.22%

Tweener (450-800 miles): 30.24%

Long-haul (800+ miles): 22.36%



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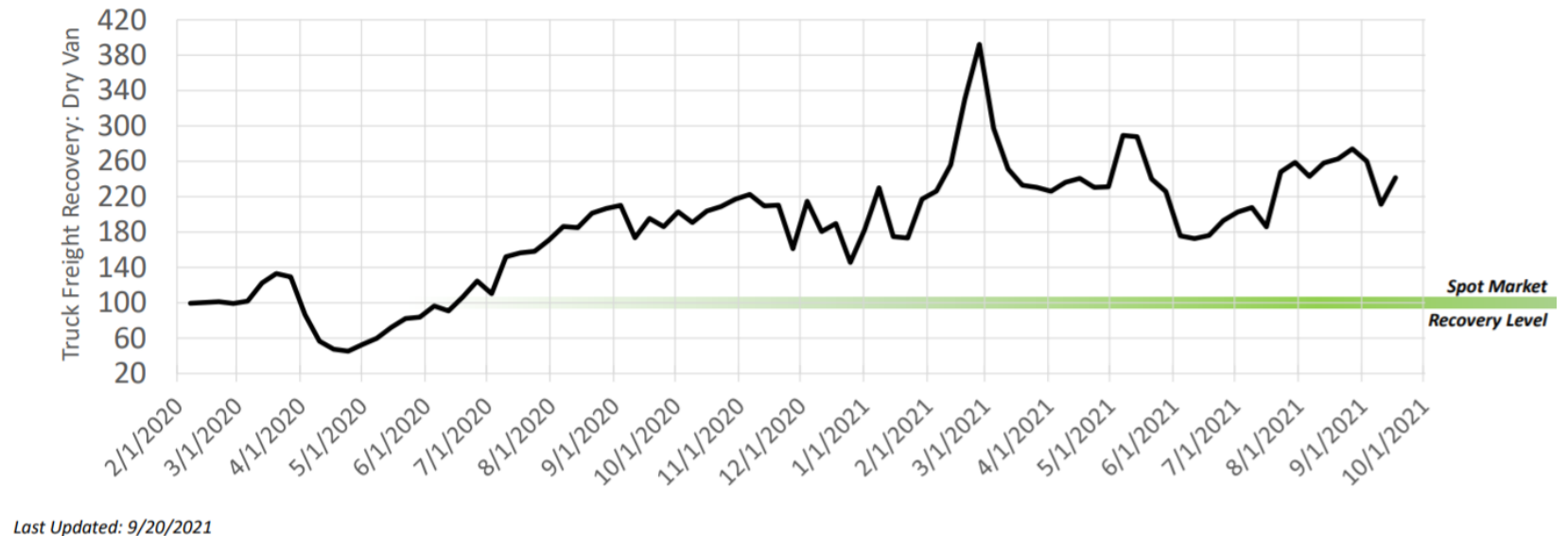
Source: FreightWaves; Updated 9/13/2021

## Truck Freight Recovery Index

The Dry Van segment increased more than 14% after falling nearly 19% from the previous week. The index is about 39% below February's weather-induced peak but about 142% above the pre-pandemic baseline.

[Read more](#)

### COVID-19 Truck Freight Recovery Index Dry Van Spot (100 = Full recovery to pre-pandemic volumes)



Source: Truckstop.com Spot Market Insights  
Analysis by FTR | Transportation Intelligence



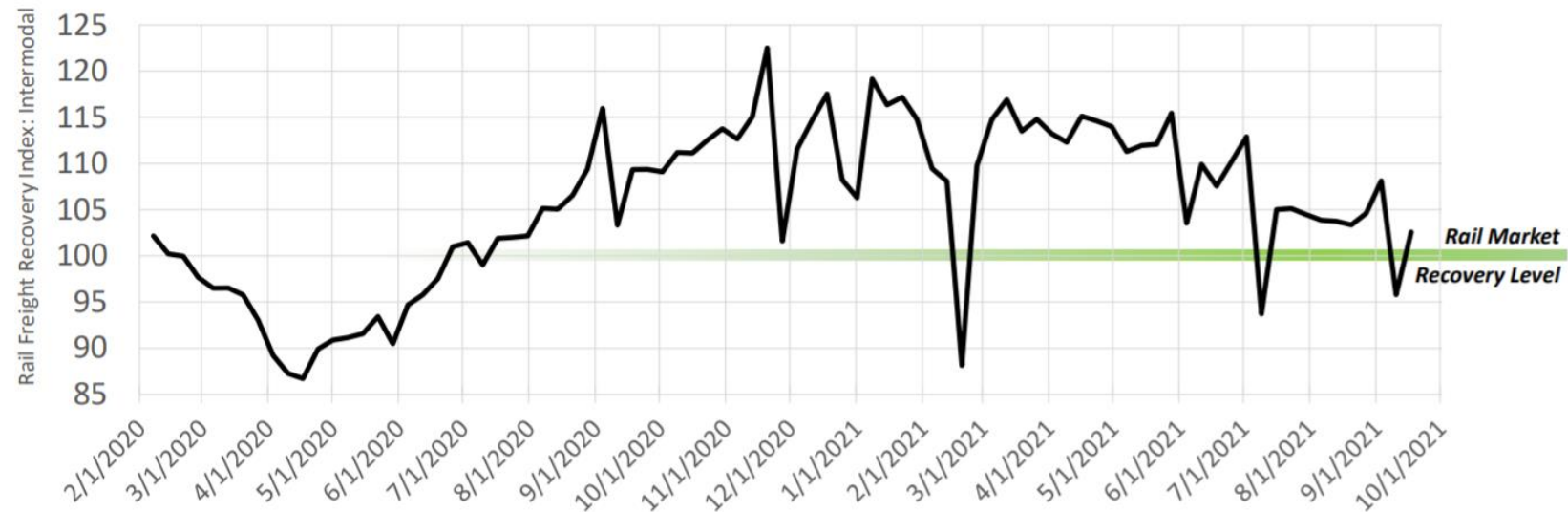
## Rail Freight Recovery Index

Intermodal has begun to bounce back from the Labor Day holiday, though not to pre-holiday levels.

[Read more](#)

### COVID-19 Rail Freight Recovery Index

N.A. Intermodal (100 = Full recovery to pre-pandemic volumes)



Last Updated: 9/22/2021

Source: Truckstop.com Spot Market Insights  
Analysis by FTR | Transportation Intelligence

## A checklist for shippers: How to make freight more attractive to carriers

With capacity continuing to tighten, we need to work together more effectively than ever to alleviate congestion so that you can secure reliable and economical freight capacity to ensure your loads get from point A to B.

Carrier capacity decisions are heavily influenced by multiple factors. Here's what you can do as a shipper to help make your freight more attractive to carriers and secure more capacity.

[Get the entire checklist](#)

### ☑ **Maximize your carrier relationship**

Using a **multimodal carrier** like Schneider can offer shippers a combination of transportation mode options, which can optimize supply chain service, cost and capacity. We also highly recommend reserving capacity with your carrier early through a peak season volume agreement.

### ☑ **Provide forward visibility**

Solid forecasting helps carriers plan for your needs. Two to three days advance notice is best, but informing carriers 24 hours ahead of anticipated surges makes freight more attractive.

### ☑ **Convert predictable freight to dedicated capacity**

**Schneider Dedicated** offers freight capacity that is guaranteed for your routine shipping needs, where and when your business calls for it. When your shipping volume surges, Schneider leverages our network — including **Brokerage** capacity through qualified carriers — to keep freight moving on time.

### ☑ **Consider alternative options for your challenging or difficult-to-cover freight. Schneider offers two options for covering your spot freight:**

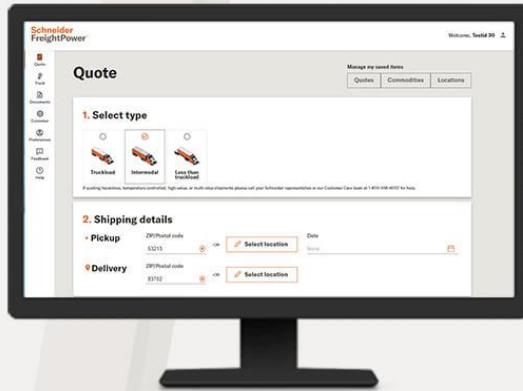
› **Schneider FreightPower** allows you to quote and book your freight online.

› **Market Index Pricing** is a simple pricing model and Schneider accepts 100% of your freight.

### ☑ **Leverage trailer pools and utilize power only capacity**

Carriers can make more drop-and-hook moves versus live loading and unloading. This grab-and-go option allows carriers to simply bring their power unit (power only), pick up a pre-loaded trailer and get back on the road quickly. Schneider also offers **power only** options with a qualified carrier power unit and a Schneider trailer for additional capacity when you need it.

# Schneider FreightPower®



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and track your Intermodal,  
Truckload and LTL freight with  
Schneider FreightPower®.**

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The logo features the word "SCHNEIDER" in a bold, orange, sans-serif font. Below the text is a stylized orange underline that consists of two horizontal bars connected by a small, upward-pointing chevron shape.