

JANUARY 10TH, 2018

CUSTOMER ADVISORY # 0216181

LCL IPI GRI BULLETIN

Dear Valued Customer,

We are sure you have all been aware of tightness in the USA inland and trucking networks over the last few months. Trucking rates in particular are now at a 3 ½ year high, for example the price to ship freight between 500 and 750 miles has shot up 30% in recent months. While some of these price pressures are short term due to seasonal demand, the underlying trends for the LTL and FTL inland trucking sector are ones of continued demand growth and shortage of available capacity. Factors such as eCommerce, regulation, fulfilment networks and a shortage of drivers, will continue to exert price pressures in the sector for the foreseeable future. This will not only impact costs, but also the availability of equipment and the service levels that can be delivered in the marketplace.

We at Vanguard - as the premier LCL operator in the USA - have significant relationships, buying power and operational expertise to manage for these pressures across the United States. This has enabled us to deliver superior service at competitive rates for your LCL / LTL needs over the years. Unfortunately, in light of the price pressures in the inland market we are required to implement a 6% GRI (Min \$2.00) to our IPI rates, on all lanes in order to strike the optimum balance between cost and service for our customers. The GRI will become effective for shipments arriving to the USA on February 16 with the exception of LAX, which will be effective on cargo arriving February 23.

We are confident we have secured and will deliver the best service for value for our customers and are grateful for your continued support.

Cargo Received On or After	Mode	Revenue Source	Origin CFS	Destination Ports & Points Served Via	Amount in USD
February 16 th 2018	Ocean	IPI	All Origins	United States : All Destinations (except via Los Angeles)	6% min \$2
February 23 rd 2018	Ocean	IPI	All Origins	United States : All Destinations via Los Angeles	6% min \$2

ADDITIONAL INFORMATION

Vanguard Logistics Services (USA), Inc. dba Vanguard Logistics Services dba Vanguard dba Brennan International Transport dba Brennan dba Conterm Consolidation Services dba Conterm dba Direct Container Line dba DCL dba Ocean World Shipping dba OWS dba Ocean Express dba Oceanexpress.

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