

Updates for RDC Membership on Hurricane Harvey**August 30, 2017**

The reach of the flooding continues to expand greatly beyond Houston. [Texas DOT](#) is reporting road closures nearing Austin and San Antonio. As you look for locations to stage shipments, note that a growing area of SE Texas continues to be affected and road closures are occurring quickly.

Transportation Update by Mode

Throughout this week, you can expect significant delays for pick-up and delivery as well as possible rerouting. In addition, fuel surges are likely and will impact transportation costs.

Intermodal / Rail Operations

- Overall, ramps are closed and may begin reopening Wednesday; rail companies are expected to evaluate on a day-to-day basis, starting tomorrow. Movements may still be delayed through Friday.
- Some Mexico cross-border rail lines are closed (KCSM/BNSF) – an embargo has been enacted. These rail lines are anticipated to remain closed through the end of the week.

Less-than-Truckload (LTL)

- Wide-scale LTL terminal closures will continue to impact the region at least through Wednesday. Note that some terminals are operating under very limited operations and focusing on relief efforts first.
- Embargoes have been enacted and may impact your freight.

Truckload

- Shipments continue to be diverted, refused or returned to shippers throughout the region.
- [Truckload capacity](#) is expected to be constrained for a significant period of time as assets are being prioritized to support relief efforts.

Global Forwarding – Ocean and Air Shipping

- Houston Port, Houston Hobby Airport and IAH are all closed. The airports are evaluating options on a day-to-day basis and anticipate possibly opening yet this week.



- With Houston Port closed, there will be no traffic moving through the shipping channels until at least Thursday. The Coast Guard will make the final determination on when the channels will open.
- Note that when the channels and port open, cargo destined for other ports may be unloaded in Houston.
- Once opened, container vessels will have priority above other vessels. Of this, export vessels will get priority to load and sail out first. Any vessels currently berthed at the terminals will be worked first.

Please read the BloombergMarkets predictions here:

A third of U.S. chemical production has been disrupted by Tropical Storm Harvey, boosting prices and threatening shortages for basic industrial building blocks such as chlorine and ethylene.

Producers such as Exxon Mobil Corp. and Occidental Chemical Corp. have shut plants and cut back operations in recent days along the flood-crippled Gulf Coast. Those disruptions have affected 37 percent of U.S. capacity for making chlorine and caustic soda, salt-derived chemicals used to make vinyl and PVC pipe, according to Bloomberg Intelligence.

About 40 percent of U.S. ethylene capacity has been shut, PetroChemWire said in a report Monday. Ethylene is the most used petrochemical and largely goes into plastics such as polyethylene, used in trash bags and food packaging.

The crisis could get worse as Harvey, which made landfall Friday night in Texas as a Category 4 hurricane, is circling back into the Gulf of Mexico and could crash ashore again, this time on the Texas-Louisiana border. The full extent of Harvey's toll won't be known for days, with rain totals that are measured in feet rather than inches.

The largest chemical-price impact is likely to be on caustic soda as near-record exports had already driven prices up 77 percent over 16 months, Bloomberg Intelligence analysts Jason Miner and Christopher Perrella said in a note.