



TRANSPORTATION

Domtar Public Affairs
2021



WHAT'S THE ISSUE?

Domtar relies on every aspect of our nation's transportation infrastructure every day. From receiving deliveries of raw materials and supplies at our mills to shipping finished products to our customers around the world, Domtar never stops looking for ways to bring more efficiencies into our transportation logistics system.

- **Trucking:** Trucks shipping pulp and paper often exceed the allowable weight limit for trucks traveling on the interstate highway system before they are fully loaded. This causes trucks to leave our facilities partially full, requiring more trucks to ship less product. This is an environmental, efficiency and safety issue for manufacturers across the country. In addition, a shortage of drivers affects the timeliness and cost of shipping our products.
- **Rail:** Rail is an important mode for transporting pulp and paper products. The lack of competition in the Class 1 rail sector is an ongoing concern for Domtar, as four railroads haul more than 90% of all freight rail traffic. In most cases, our mills are captive shippers, meaning that they are only served by a single rail provider with no access to alternative rail options. As such, there is little recourse for unsatisfactory rates and terms service.
- **Ocean Carriers/Ports:** While our manufacturing facilities are located in the United States and Canada, Domtar serves customers around the world. In 2021, Domtar expects to export approximately 70,000 TEUs (Twenty-foot Equivalent Units) and therefore relies on the efficiency of ocean carriers and ports on both coasts. Port congestion, availability of shipping containers and excessive demurrage and detention fees are issues that have negative impacts on our business.



Trucks move roughly 72.5% of the nation's freight by weight.¹

In 2021, Domtar will move approximately

240,000

over the road shipments.



Domtar is currently ranked the 23rd largest exporter in the United States.

OUR POSITION

To advocate for efficient transportation, Domtar:

- Supports federal public policy that **reforms outdated truck weight limits** on the federal interstate highway system.
- Supports the Surface Transportation Board exercising the full extent of its authority to **preserve some level of competition** in the rail sector.
- Advocates for Federal Maritime Commission intervention to **facilitate smooth operation** at our nation's ports and **fair treatment** of U.S. exporters.

In 2020, U.S. Class 1 railroads moved 1.1 million carloads of lumber and paper products.²



¹ American Trucking Association
² Association of American Railroads