



Don't Drown in Overcharges

Tales of Freight Errors and Costly Impact SMART Auditors to the Rescue

At **AMTR**, we address the complexities of freight costs for our customers on a daily basis. These complexities are many and varied and consistently impact the movement and subsequent invoicing for freight. From billing errors, to innocent typos, to inaccurate interpretation of contract wording, no company is immune. Even the implementation of pre-audit and/or use of transportation management systems cannot guarantee error-free execution. Why? Problems are often unique and multifaceted, as the following examples demonstrate:

Example 1: Billing problem. A carrier's standard rules tariff allows them to combine shipments between the same shipper and consignee on the same day. Each shipment is originally given a pro number, but the carrier may cancel one number and bill for both shipments on another. In another case, both freight bill numbers might be canceled and a master bill created. Either scenario may result in multiple payments. **AMTR** frequently recovers \$1,000 or more per freight bill based on this issue.

Example 2: Publication errors or typos. **AMTR** has been instrumental in detecting missing lanes that were previously included in rate items or rates that seem to be in the wrong columns within a pricing document. We work with the carrier to get these errors adjusted in the next revision of the tariff. However, if both the carrier and the client load the wrong rates, then overcharges are virtually impossible to detect. We were able to recover over \$35,000 for a client who paid the wrong rates while their lanes were being corrected.

Example 3: Inaccurate interpretation. The difference between "and" and "or" in rate condition notes can be great. An "or" statement means that two different instances can apply but many computer programs do not apply such logic correctly and humans often miss the intent of the condition statement. In one instance, the word "or" was worth a \$70,000.00 overcharge claim!

The SMART auditors at **AMTR** know these scenarios—and countless others—well. We use expert knowledge and years of experience enabled by leading-edge IT to determine the correct freight costs for our customers. If you need a freight cost "rescue," give us a call or email us today.

Empty Cars Not Empty Piggy Banks

Commodities are sent to destinations for unloading repeatedly, usually with the emptied car returning to the origin. The return may occur within days, and other times, long afterward. Normally, these empty cars will return free of charge. However, exceptions do occur, and when they do, should this movement be chargeable?

All Class I's and various other railroads have rules, both varied and complex, governing empty car movement contained within the RIC 6007 and in their own publications. The timeframe provided for free returns differs among carriers, usually being between 150 and 180 days. Select carriers provide rules that cover an empty return move to an alternate location, or movement into and out of repair and/or cleaning facilities. Of course, shippers can also develop contracts that better fit their specific needs.

It should also be noted that automated payment systems and rate engines do not handle exceptions well and can easily rate these empty movements in error, incurring unnecessary costs. **AMTR's** expert auditors are well-versed in these rules and are able to devote the time and research to empty car movements.

Quote

The real problem is not whether machines think but whether men do.

B.F. Skinner

Come See Us at This Upcoming Event!

NARS Annual Meeting
May 23 – 25
railshippers.com
San Francisco, CA



Industry News

The Classification Team Lineup

With over 35 years of auditing success, **AMTR** LTL freight audits are based on a high percentage of classification errors. Classifications can be difficult to decipher and assign. To better understand classifications, their purpose and the history, you first have to understand the entity that creates LTL classifications.

The Commodity Classification Standards Board was brought about by 49 U.S. Code § 13703 with an antitrust exemption to establish its own classifications. The CCSB investigates, initiates, considers and acts on matters affecting the provisions of the NMFC through the National Motor Freight Traffic Association. One of the 18 freight class options is assigned based on the product's characteristics: density, stowability, handling and liability. If there are exceptions to these classifications, they can be found within a carrier's rules tariff or included in a shipper's pricing document.

Do not miss out on freight cost savings by having freight misclassified. Let **AMTR's** expert team recover overcharges on classification errors affecting your freight invoices.

Twins of Epic Size: 33 Foot Trailers

A potentially powerful lobbying group called Americans for Modern Transportation was recently formed to "actively work to improve transportation infrastructure and policy to reflect, and meet, the growing needs of modern businesses and consumers," according to trucking industry and supply chain expert Clifford Lynch. One of the group's primary goals is to seek approval for the use of twin 33-foot trailers on U.S. highways—a highly debated topic in which some see efficiency opportunities while others see safety concerns. The group has commissioned a report stating their results show that the longer trailers would provide capacity, economic, safety and environmental improvement. According to Lynch, the approval of the larger trailers may possibly be "one of the few things passed by Congress this year."

UP Mileage Scale Changes

Shippers should become aware of the change to the mileage scales in UP Agricultural product tariffs. UP has announced that, in their efforts to simplify prices for mileage scale movements, as of July 1, they will expire the scale items within UP 17, UP 2028, UP 4050, UP 4051, UP 4053, UP 4427, UP 4907 and UP 4908 tariffs. This creates great potential for overcharges wherever rate engines are not updated properly or in time. **AMTR** is prepared to ensure invoices are calculated with the applicable mileage scales. Be sure to subscribe to this new mileage tariff, UP 2030.

American Truck & Rail Audits, Inc. May 2017 Brain Teaser

Multiplication Cryptogram

The following multiplication problem shows each letter representing a different digit, 0-9.

When the letters are arranged at the bottom of the page in the numerical order of the digits they represent, they spell out a phrase which makes a very keen observation on the art of puzzle solving.

$$\begin{array}{r}
 \text{S O E} \\
 \text{U P E} \\
 \hline
 \text{S O E} \\
 \text{N T R E} \\
 \text{O O A O} \\
 \hline
 \text{N S H U} \\
 \hline
 \text{N R R N P E}
 \end{array}$$

1 2 3 4 5 6 7 8 9 0

Source: *101 Puzzles in Thought and Logic*/ C.R Wylie Jr. Dover Publications New York

Find the solution for this brain teaser at amtr.com/brain-teasers

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