

# AMERICAN Truck & Rail Audits

## Freight Spend Recoveries Vs Potential Future Savings

As we travel the country meeting potential clients, we are often asked about our compensation model. While many of our competitors base their compensation on leveraged potential future savings, our compensation deals exclusively with freight dollars that have already been spent. Our fees are based solely on actual recoveries we collect on a client's behalf, making our service free of any upfront costs.

At **AMTR**, it is plain and simple—we discover overcharges, we file claims on clients' behalf and return a large portion of the recoveries to them. Ask any of our clients how nice it is to receive a check in the mail refunding monies they thought were forever spent. It may be July, but that always feels like Christmas!

Our SMART audit team has the transportation knowledge and expertise to understand the billing pitfalls of the freight industry, and can even help companies that use the most advanced transportation management systems and largest payment firms. The dollars we recover go right back to our clients' bottom line as profit, so our service has the same impact as securing a new, high-dollar client that costs nothing to procure or support!

If you are interested in a no-nonsense audit of your freight costs, contact us. At **AMTR**, our service never costs, it only pays! It is truly a **NO** risk, **HIGH** reward proposition for our business partners.

## Rail Growth and Government

In July of 1776, the United States officially declared its independence. Over 50 years later, the first US railway, the Baltimore and Ohio Railroad, opened for commercial transportation of freight and passengers. Over the next several decades, rail lines grew from 23 to over 3000 miles of track, and by 1860, began connecting west beyond the Mississippi River. Meanwhile, on the west coast, the gold rush prompted rail lines such as the Sacramento Valley Railroad. In 1871, President Abraham Lincoln signed the Pacific Railroad Act, authorizing the construction of a new railroad line from Council Bluffs, Iowa to Sacramento, California, which connected the Central Pacific Railroad and the Union Pacific Railroad. During this same time period, the Civil War precipitated growth in the use of rail to move troops and supplies regularly.

Due to the boom in rail growth and its effects, the government began to regulate railway systems as they became more prevalent. The Interstate Commerce Act of 1887 was designed to prevent monopolistic practices, while the Federal Possession and Control Act allowed the government to take total control of the railroads during WWI. The Railroad Revitalization and Regulatory Reform Act of 1976 attempted to salvage some freight operations from bankruptcy in the Northeast, and thus, began the Conrail system. Finally, the Staggers Act of 1980 allowed for greater freedom in setting rates, contracts and decisions to move in and out of certain rail market lines. Although these are only a few historical reference points, they demonstrate that Congress has weaved in and out of rail legislation for decades.

Although rail operations today are largely deregulated, rail is still governed in part by the Code of Federal Regulations, as well as numerous other tariff publications and entities created to manage reporting and banking procedures. As history has shown, there is always opportunity for future regulation, so we should not get too comfortable with the current mindset. No matter what occurs with governmental regulation, **AMTR** is always watching for impacts to railroads and shippers.

### Quote

I guess we all like to be recognized not for one piece of fireworks, but for the ledger of our daily work.

*Neil Armstrong*



## Firework Freight

'Tis the season for those bright and beautiful explosives. Consumer fireworks are shipped via ground within the United States and are deemed Division 1.4G explosives, and therefore, considered hazardous goods. It is vital that these products are transported in a manner that is safe for shippers, receivers, drivers and the general public.

Transportation of fireworks is regulated by the Hazardous Materials Regulations (HMR) in the Code of Federal Regulations (CFR) 49 Parts 171-180. As with any hazardous material, there are regulations that require hazardous licensing by drivers, placards to be placed on each side of a trailer, development and implementation of safety and security plans, and proper bill of lading and packaging identification. Furthermore, products are required to be loaded, blocked and braced in such a way as to restrict movement that happens in transit. Naturally, fireworks must also be protected from any potential sources of ignition. Failure to adhere to these safety procedures will not only jeopardize the safety of all parties involved, but it could also lead to severe punishments; maximum penalties are \$110K civil penalty per violation, and \$500K fine and 10 years in prison criminal penalty.

Putting safety first is always the right route to take. Consult with all governing authorities and review all applicable regulations before packaging and shipping any hazardous goods. Keep America safe!

## Cargo Theft Rises this Independence Day Weekend

An estimated half a billion Americans traveled at least 50 miles for the 2017 July 4th holiday. According to the American Automobile Association (AAA), this is an increase of over one million travelers compared to the same weekend in 2016. Bill Sutherland of AAA attributes the rise to "strong employment, rising incomes and higher consumer confidence."

According to SensiGuard, a cargo theft tracking and prevention company, long holiday weekends tend to lead to an increase in cargo theft. The company stated that cargo theft has increased approximately 120% during the last two July 4th weekends, as compared to previous years. The two weekends' losses averaged over \$350K per theft. SensiGuard states that rings of organized cargo thieves tend to take advantage of closed facilities during holidays. The company advises that in order to protect freight, companies should use secure yards and GPS tracking and ensure that consignee locations are open during scheduled delivery times.

**AMTR** cares about your freight cost dollars and your cargo!

# Industry News

## STB Modernizes Ag Products and Fertilizer Rules

On June 30, 2017, the Surface Transportation Board (STB) announced that it is updating its regulations regarding how Class I railroads publish common carrier pricing and service terms for shipping agricultural products and fertilizer.

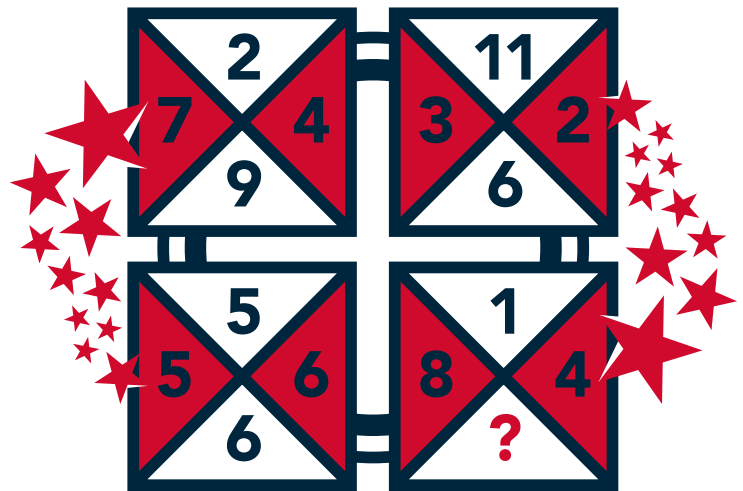
The ICC Termination Act of 1995 previously imposed a requirement that railroads make their common carrier pricing and service terms for agricultural products and fertilizer publicly available; however, the regulations did not specify by what means the carriers would ensure that pricing could be easily accessed.

As such, this new rule states that "the published information must be broadly available without charge to any person, regardless of whether a person is a current or potential customer or receiver of a railroad." According to the STB, the new rule allows railroads to implement user registration requirements that are not unduly burdensome and that provide timely and unrestricted access to the information on their websites. In this same ruling, the STB encouraged Class I railroads to provide, or continue to provide, online pricing portals. Those who encounter problems in accessing such pricing and service information are encouraged to contact the STB's Office of Public Assistance, Governmental Affairs and Compliance.

## American Truck & Rail Audits, Inc. July 2017 Brain Teaser

### Red, White, and What Number?

Look at the following boxes and solve for the number that replaces the question mark. There is only one correct answer.



Source: <http://funthingstodowhenbored.com/riddle/brain-teasers-solver-4th-square-by-looking-on-others>

Find the solution for this brain teaser at [amtr.com/brain-teasers](http://amtr.com/brain-teasers)