

AMTR is your knowledge resource

Changes to our site help keep you informed

Increased focus on knowledge

AMTR.com updates and expands the Knowledge Center

American Truck & Rail relies on technology, as we all do, to power our business. However, nothing is automated at AMTR, including our gathering of research, news items and information. And with our new, expanded Knowledge Center at AMTR.com, we pass that information on to you.

So today we are expanding our Knowledge Center from a single page to an entire section on our site, accessible from the home page. Visit amtr.com today and learn more!



Are the ILWU Labor Negotiations affecting freight changes?

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The recent news regarding ILWU Labor negotiations sparks further examination. Shippers have moved up orders, asked customers to take on more inventory, and routed cargo through ports in Canada and the U.S. East and Gulf Coasts. According to a Journal of Commerce survey, two thirds of shippers who participated plan to divert some cargo away from the U.S West Coast ports to avoid disruption that could emerge from contract negotiations. The majority of those planning on making changes stated they will ship through

East or Gulf Coast ports, with others using ports in Canada and Mexico. The risk of disruption is just too great. But when these changes are made, will the overflow to other ports cause even further problems with service?

What happens when your long-standing contracts must adapt to conditions in the political climate? Companies must be prepared to negotiate new rates and lanes and then ensure the changes are put into effect. Will they be fully executed in a timely manner and entered into your rate engines? How will changes to your freight routes and rates affect your customers and the programming that goes on behind the scene? Are you prepared? Many companies scramble to catch up to ever-changing needs. They are forced to make quick decisions in a time of chaos. This is where the term "hindsight is 20/20" comes into play at AMTR. We have the leisure of taking our time and going back to see how rates changed and if you were invoiced correctly. After all the dust settles, we can go back and make sure you were invoiced properly and recover any loss. Let us show you how.



New dimensional rating rules

This year, UPS and FedEx have begun billing ALL ground shipments based on dimensional weight.

A new article at Logistics Management outlines some significant changes to how shipments are rated and priced.

This year, UPS and FedEx have begun billing ALL ground shipments based on dimensional weight. Some experts are also predicting that shippers will soon be asked to disclose freight dimensions on all LTL bills of lading. Contracted discounts and FAK exception rates are driving carriers to renegotiate pricing to more accurately reflect the associated costs of moving shippers' freight. These significant billing changes will undoubtedly cause confusion and leave a great deal of room for error, particularly as the "kinks" are being worked out of carriers' systems.

Carriers are switching to completely automated devices to weigh and measure packages and taking humans completely out of the equation in terms of measuring density; unfortunately, machines make errors. Furthermore, if a carrier transfers shipper-loaded products to another trailer for a long haul, it is in the carrier's best interest to load the product efficiently, even if the shipper did not load efficiently in the first place. Some carriers incorrectly base charges on the shipper-loaded dimensions in a city trailer, rather than the dimensions the shipment actually occupies in the linehaul trailer.

How will you know if the appropriate dimensions are being used? Will you be able to tell if errors were made in calculating your shipment's density? Will your new pricing be complicated to interpret and apply? What other "kinks" will need to be worked out of carriers' billing system? This new rating method raises many questions. AMTR can help you to discover how dimensional pricing is affecting you, recover any overcharges caused by these changes, and educate you on what you can do to prevent some of these errors from occurring in the future.



Data: The Good, the Bad and the Ugly

Every year, more complex computer systems are employed to handle freight planning, tracking, and payments.

Every year, more shippers implement increasingly complex and comprehensive computer systems to handle freight planning, tracking, and payments. The business world has come to rely on computers to reduce paperwork and staffing and to automate repetitive tasks that do not necessarily require constant human intervention. In the process the potential for errors has been eliminated. Or has it? Even if computers perform perfect calculations all the time, that still leaves a big hole for errors: the data may not be perfect from the beginning. Perfect calculations on imperfect data still lead to erroneous payments.

Aside from the basic possibility of human error on the data entry side (which even the best programming cannot fully account for), there are a myriad of ways for data errors to propagate. First, there is data from third parties; can it be trusted? Unless one believes the carrier or other third party to have unnaturally perfect systems and personnel, a shipper cannot be certain the data received, such as EDI data, was perfect for the shipment in question. Then, once received, data must be imported into a shipper's own systems. Often, this means reformatting the data to the format the shipper's database accepts. Any time a reformat of data is necessary, there is a potential for errors or data loss. Dates can be in several different formats, amounts may be whole numbers or currency with two decimal places, measurements in gallons or pounds or cubic inches, and city names may have multiple formats. Often, these may be inconsistent and irregular; each time a format conversion takes place there may be some loss of data (such as zeroes after the decimal of currency being dropped when converted to whole numbers).

Even within one company, there are often several separate systems in order to process a shipment from start to finish. The shipment may be set up on one system, then rated on another, and a third system sends the final payment; despite all the error checking along the way, no amount of programming can fix bad data from the previous system. Every time data moves from one point to another, there is a potential for errors, and since this is all being automated, there is rarely a human eye that sees this. It may not truly be an error at all, it may just be different than what the program is expecting. For instance, if a city name is received differently than was programmed into the rate engine, then the rate engine may not apply the correct rate. Then, of course, there are all the times when something changes during shipment, such as a diversion or reweigh. Rarely is new information populated backwards into the previous system, so the final payment is made based on outdated information.

This is where the AMTR Difference can benefit you and your company.. AMTR takes all the data available from multiple systems, and puts it together to get a whole picture of each shipment from start to finish – setup to payment – then applies years of experience and knowledge to evaluate each shipment for overcharges and errors. This process is not practical for shippers to do on their own and carriers do not have time and resources to do it for them. An AMTR audit is a shipper's last line of defense to mind the gaps between systems, data, and payments.

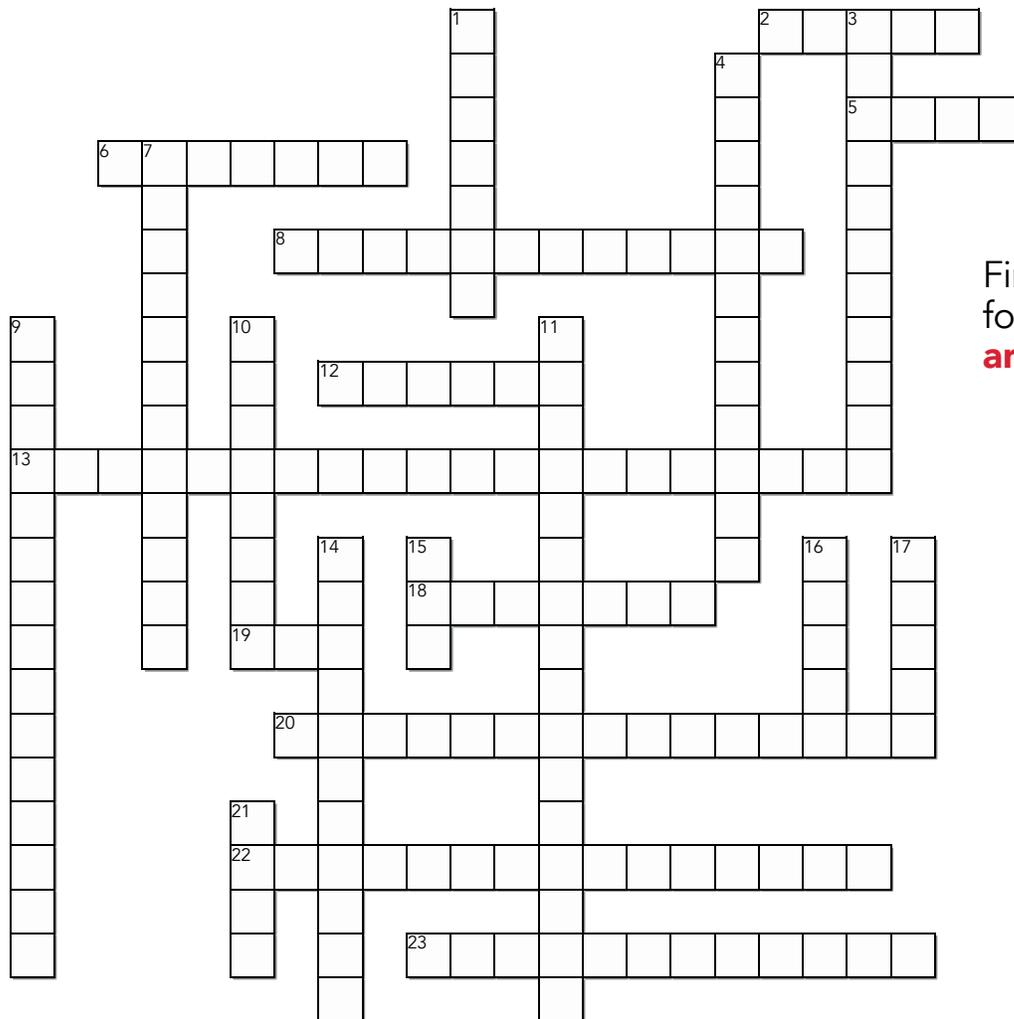
'Smart' fact

Laughter is the best medicine

Multiple studies have proven that laughter greatly reduces stress, pain, and conflict, as well as boosting the immune system and bringing people closer together. So go ahead and have a good laugh to start your day.

American Truck & Rail Audits, Inc.

March 2015 Brain Teaser



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

Across

2. The number of years allowed for rail overcharge action for regulated shipments
5. Sometimes called piggyback, pig or tote (abbr)
6. An amendment that codified carrier's liability for full value of damage to goods
8. Gives the Federal Government the power to regulate interstate transportation
12. Individual or company serving as liaison between shipper and carrier
13. Term used to describe actions by and against rail carriers provided in 49 USC 11705
18. Term used to describe shippers who have only one rail carrier option
19. Federal body formed in 1996 after the demise of the ICC (abbr)
20. US Federal Law that deregulated the American railroad industry
22. 1980 Law eliminating the burden of proving 'necessity and convenience' to transport goods
23. Term used to describe the cost of shipping at a reduced liability or value rather than actual value

Down

1. One of the most common criteria governing classification ratings
3. a carrier group that operated under antitrust immunity to establish joint rates and publish tariffs
4. Document used that institutes a contract between the owner of goods and the carrier
7. A large portion of these types of products are still mandated to file rates with the STB
9. 49 USC 10502 (c)(1) requiring railroads to maintain full value rates on exempt traffic as an alternative to lower rates and limited liability
10. Term used for transportation laws passed by Congress
11. Organizes shipments and storage of goods from manufacturer to final point of distribution
14. Proceeding used to settle disputes without going to court, a term used in many private contract rates
15. 1887 US Federal Law designed to regulate the railroad industry (abr)
16. Part of the Dept of Transportation, its mission is to prevent commercial motor vehicle-related injuries and fatalities
17. One who is hired and entrusted with the business of another
21. Standardized manual providing comparison of commodities in a class system

