

AMTR is excited to announce the newest member of the executive team



Dr. Summer Bartczak will serve as Chief Knowledge Officer overseeing strategy development and education and training programs

AMTR's CEO, Shan Scott, says, "Human, expert-based knowledge has always been the cornerstone of our business model. Hiring Dr. Bartczak reflects our continued commitment to 'Smart Auditing®.' Her expertise and vision will be invaluable in carefully managing our rapid growth and spurring innovation across the three pillars of our business—discover, recover, and educate."

Dr. Bartczak has a background in information systems, analytics, knowledge management, and education. She is a graduate of the US Air Force Academy and holds a PhD in Management from Auburn University. After retiring with 20+ years in the USAF, she has held faculty positions at several Universities.

According to her, "Joining **AMTR** is an exciting opportunity to work with an amazing staff of transportation experts and to be involved in the development and execution of forward-looking, strategic initiatives that lie at the intersection of my professional interests and experience."

To Palletize or Not to Palletize?

Pallet Rates Can Save You Money

Pallet rates can be a very cost-effective alternative to regular LTL rates. Most programs provide a flat fee per pallet and are usually subject to weight or pallet size restrictions.

For instance, the shipper may be required to load pallets with no more than 2,500 pounds of product or use pallets no larger than 48" by 48" in order to qualify for pallet rates. Often, pallet rates may only apply to either inbound or outbound shipments. The majority of carriers will only offer pallet rates for direct movements.

There are definite advantages to negotiating pallet rates for a company who regularly ships palletized loads. If a shipper does not palletize their loads but often ships heavy products, it may be worth their while to begin palletizing loads in order to receive pallet rates. It is also to the carrier's advantage when shipments are palletized. Product shipped on pallets is much easier and quicker to load and unload.

Some carriers offer pallet rates in their public rules tariffs, but often shippers will have to proactively negotiate this type of rate with carriers. The shipper may be required to specifically request application of pallet rates by indicating on the bill of lading a phrase such as "pallet rates" or the appropriate pricing agreement number.

With all of the different rules and requirements involved in the application of pallet rates, it can be difficult to ascertain whether or not a pallet rate applies in any given situation.

Find out today how **AMTR** can review your freight bills and help you get the most out of your pricing program.



Weight or Capacity?

Incorrect Terminology Interpretation
Can Affect Your Bottom Line

Pricing documents are complex and contain a multitude of information. For those who think contracts or tariffs only contain the rate from point A to point B, think again.

The fine print can often be overlooked when loading varying specifications into a rate engine. Language regarding switch absorption, routes, car type/size/ownership, movement from/to beyond, FSAC codes, etc., can quickly make the task daunting.

For example, consider the weight of a shipment. One might assume the rate would be based on the pounds or net ton. However, different carriers use different terminology that all mean something specific: Gross Weight on Rail, Lading Weight, Total Allowable Weight on Rail, Cubic Capacity, or Alternate Minimum Weight. Some of these terms are based on weight, some are based on the actual capacity of the equipment, and still others combine the two. Sound complicated? To make it more fun, some tariffs give the option of using capacity versus weight to pick the lowest rate, while others allow "bumping" up the weight to take a lower rate.

Does your company have a trained transportation expert interpreting all your price documents? Is your TMS system programmed correctly for each individual document?

The professionals at **AMTR** know what these terms mean and how to use them. We will make sure that you are paying the proper rate based on the proper terminology.

Keeping Abreast of the Railroad "Revenue Adequacy" Discussion

The Surface Transportation Board (STB) ruled this September that 4 Class I railroads—the BNSF, Norfolk Southern, Union Pacific, and U.S. affiliates of Canadian National—were "revenue-adequate" for 2014 which means they have achieved a rate of return on investment that is at least equal to the average cost of investment capital. Although the "revenue adequacy" discussion is lengthy and complex, it is an important topic for shippers.

Even though the idea was introduced in the 1980 Staggers Act, it still has not been decided how this constraint can work in practice to protect captive shippers. Given that it appears the rail industry maybe be on the verge of revenue adequacy under existing standards, the STB has a proceeding underway to look at how revenue adequacy is determined and how it should be applied in assessing the reasonableness of freight rates challenged by shippers.

Although it may be years before any definitive decisions are reached, **AMTR** wants to remind shippers that it is important to stay abreast and stay involved in the discussion as it will definitely impact your bottom lines in years to come.

Come See Us On the Road

American Truck and Rail Audits continues to be a staple of freight conferences throughout the country. Our VP of Sales, John Via, has been on the road spreading the word about the benefits of working with the After-Payment Freight Audit leader, **AMTR**. Come see us in Dallas for the Fall SWARS meeting (Oct 7 & 8) or in Philadelphia for NEARS (14 -16 Oct) as we wrap up our travel for the year.

Not a current customer? Stop by and find out what **AMTR** can do for you. Already working with us? Come by and say hi and get updated on the latest industry happenings.

Quote

In order to properly understand the big picture, everyone should fear becoming mentally clouded and obsessed with one small section of truth.

—Xunxi

American Truck and Rail Audits, Inc.

October 2015 Brain Teaser

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A dairy farmer has 2 empty jugs: a 3 gallon jug and a 5 gallon jug. How can he measure exactly 1 gallon without wasting any milk?

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



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