

# Data Without Human Knowledge is Just Data

## 'Smart' Audits Start with Data, Yet End with Human Knowledge

In business circles, the conversations about "data" seem to be all the rage these days. Whether the topic is big data, data analytics or data mining, it is easy to get the impression that more data is better. With the right software tools, meaning can be derived from any data easily and quickly. Voila! Undoubtedly, information technology has allowed great advances in data collection and analysis, but to use some ideas from the knowledge management discipline: data without relevance or purpose is not information, and information without context and meaning is not knowledge. So where do context and meaning come from, then, to allow knowledge? It is simple—they come from humans. Data without human knowledge to make sense of it is just data. Even powerful data analysis tools and algorithms need human care and feeding in addition to thoughtful interpretation of results.

At **AMTR**, every audit begins with an examination of client shipping-related data. This data comes from many different sources, including client TMS systems, payment files and invoices. At first blush, the data itself often looks good, and in many cases, it has even made it through the "tolerances" set by precursor systems. However, when our auditors further examine the data using their knowledge of transportation laws, client shipping patterns, common information system errors and past auditing experiences, the data "reveals" knowledge that would not have been obvious to the casual observer, hence the "essence" of our Smart Auditing® approach. David McCandless, a self-labeled data journalist and information designer, has been quoted as asking, "Data is the new oil? No: data is the new soil." At **AMTR**, we agree with this sentiment as we know data alone is not the new "holy grail," yet it allows fertile ground for those who can understand and exploit its potential using human interpretation and application.

## Which Rate is Right?

### Contract Rates vs. Quotes

A common carrier's rules tariff usually specifies the hierarchy of rate applications when it comes to tariff, contract and quote pricing. However, this has not always been—and is still not always—the standard. So for shippers, this should beg the question of which one should apply.

Customer-specific pricing will come in the form of tariff pricing or contract pricing. For a better understanding of the difference between the two, please visit [amtr.com/glossary](http://amtr.com/glossary) and review contracts and truck tariffs terms. Customer-specific pricing can be customized to fit the shipper's and carrier's needs. Larger discounts may be given for specific locations and accessorial exceptions may be granted for services the carrier may perform on a regular basis.

The common practice for carriers currently is to have the quoted amount supersede any customer-specific pricing. Most commonly, quotes for special services such as expedited, guaranteed delivery and shipments requiring other special services will take precedence. You will have to pay for the service level you require. Once you look further into a carrier's rules tariff, however, you will find that common quotes obtained online or through customer service via telephone are often just estimates of charges, superseded by client-specific pricing.

Many companies pay thousands of dollars more than they should when quotes are applied instead of customer-specific pricing. At **AMTR**, our expert auditors will save you money on your freight charges by discerning between the application rules of quotes and client-specific pricing.

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## Quote

Numbers have an important story to tell. They rely on you to give them a voice.

*Stephen Few*



# Industry News

## Which Price is Right?

### Rail vs. Private Cars

The Official Railway Equipment Register, published quarterly, provides all data from the UMLER system in tariff format as mandated by the government. The two main sections contain the car specifications of railroad owned reporting marks in the front and privately owned reporting marks in the back. The reporting marks should be able to tell you who owns the car and therefore what rate to pay, right? Not necessarily. Fleet management has become more complex over the years due to railroads leasing from private companies and private companies leasing railroad-owned equipment. So when your pricing contains a rail and a private car rate, choosing correctly can get tricky. Owners of equipment should update any lease arrangement through Railinc, which is one way to verify the status of the car and is also what the railroads use to create your invoice. There are also different types of leases which may or may not account for car hire and other factors. Sound complicated? If you lease equipment regularly, you might benefit from having your freight charges verified by an outside source. Let **AMTR** show you where unnecessary dollars might be slipping out the door.

## Putting the Brakes on Truck Violations

In May, the Commercial Vehicle Safety Alliance (CVSA) completed its annual unannounced brake check day that led to removing 12.4% of trucks investigated out of service. This is all part of a North America program called Operation Airbrake, which is dedicated to brake system safety through carrier compliance and awareness.

The random inspection consisted of 6,128 vehicles throughout 31 U.S. states and Canadian territories and provinces. Beyond the 12.4% having brake violations, 13.9% were removed from service for other violations found during these inspections. Education, awareness, compliance of equipment and other safety regulations are necessary for safety's sake. Don't get caught having to pay a much higher rate to another carrier because your regular carrier has been put out of service due to violations.

## Captive Shippers Can Speak Freely

On July 27, 2016, the Surface Transportation Board (STB) issued a decision on the petition to revise competitive switching rules and opened a comment period through September 26, 2016. The board has also invited stakeholders to request ex parte meetings with board members to be conducted between October 25 and November 14.

Currently, reciprocal switching can occur as a voluntary arrangement between carriers or may be ordered by the Board. However, the current regulations have proven to be so restrictive that few cases have even been brought before the board. If you are a captive shipper, now is the time to act. The Board has waived the prohibition against ex parte meetings out of concern for all affected parties and seeks input before making the final determination regarding the issue.

## American Truck & Rail Audits, Inc.

### August 2016 Brain Teaser

#### Wacky Railroad Laws

Answer the clues and fill in the corresponding boxes provided. When you read down the first column of the grid, you will reveal the answer to the statement.

In West Virginia, it was once illegal to do this on a train:


Once products are palletized and the carrier is dispatched, your order is ready to \_\_\_\_\_.

If you are going to do this to a heavy box of product you ordered, you better bend at the knees.

If you yell into a quiet train tunnel or an empty truck trailer, you might hear an \_\_\_\_\_.

If a carrier is detained, detention time \_\_\_\_\_ when the consignee starts offloading the goods.

Flat-bottomed, long, narrow, square-ended boat propelled with a long pole. Mainly used for recreation.

In Wisconsin, it was once illegal to do this on a train:


This type of stand is used by bikes or motorcycles in order to keep them upright.

The dimensions of a skid are usually given in this unit of measurement.

This is sometimes referred to as a pallet; however it is different because it has a single-deck loading platform, rather than one on the top and bottom.

In AMTR's July 2016 Newsletter, there was an article titled \_\_\_\_\_ **MOVES CAN BE ENGINEERED TO SAVE YOU MONEY.**

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

**Come See Us at These Upcoming Events!**

**PNWARS September 13-14**  
pnrailshippers.com

**NEARS September 21-23**  
nears.org

**SEARS September 27-29**  
serailshippers.com