

# Keeping an “Eye” Out for the Unexpected



## “Invisible Gorillas” Can Cost You

In one of psychology’s most famous experiments, Harvard researchers Daniel Simons and Christopher Chabris popularized the idea of the “Invisible Gorilla.” The idea stems from the result of an experiment wherein students were asked to watch a one-minute basketball game video and count how many passes were made by the team wearing white, while ignoring the passes made by the team in black. Midway through the video, a student in a gorilla suit walked into the scene, looked straight at the camera and pounded her chest for seven seconds. See the video yourself at [theinvisiblegorilla.com](http://theinvisiblegorilla.com). Surprisingly, upon questioning, only half the students who watched the film reported seeing a gorilla! The rest of the students were concentrating so hard on counting passes that they never saw it.

Importantly, this experiment brought focus to a phenomenon called “inattention blindness”—an error of perception that results from lack of attention to an unexpected object. This name distinguishes the phenomenon from blindness as a result of a damaged visual system; objects are not seen, but not because of a problem with the eyes.

In the business of freight costs, there are many invisible gorillas. At **AMTR**, our years of auditing experience prime us to see the unexpected where others may not. Where many of our clients’ attention is spread across myriad tasks and responsibilities, our attention is focused on freight cost accuracy. Not seeing important freight errors can cost you. **AMTR** is here to help make the invisible, visible, and save you money at the same time.

## Be on the Lookout for Hurricane Impacts to Rail Costs

The southern U.S. has suffered a one-two punch with the landfall of two major hurricanes within weeks. Rail freight has ground to a halt on the Texas Gulf and lower Atlantic Coasts, with embargoes being placed on traffic into major hubs and ports. As with any service disruption due to weather or other circumstances, such as bridge or track construction, shippers should know they can search the AAR Embargo System (no account required) to find details on railroad embargoed locations: [aarembargo.railinc.com/epdb](http://aarembargo.railinc.com/epdb).

For railroads, repairing damage and rerouting traffic is the focus right now. For shippers, however, damage control will also need to be a focus when the freight bills start arriving. Thousands of shipments will be affected and many complex situations will occur. Cars will be held, diverted or cancelled, or may have suffered damage that forces them to move in and out of repair shops. Shipments may be returned and volume commitments may also be affected. It is important to recognize that there are Force Majeure clauses in some carriers’ rules that allow adjustments so clients do not lose volume discounts. Finally, it should be noted that, in most cases, demurrage should not accumulate while cars are sidelined for “embargo hold.”

All these recent hurricane-related situations may have a dramatic impact on transportation operations and freight costs. We encourage shippers to stay in close contact with their carrier representatives to work issues. **AMTR** will be on your side, as well, using our powerful knowledge base and expertise to review any exceptional circumstances and moves to make sure the billing is correct.

## Come See Us at These Upcoming Events!

**SEARS Fall Meeting**  
Sept 19 - 21  
[serailshippers.com](http://serailshippers.com) / Savannah, GA

**PNWARS Fall Seminar**  
Sept 21 - 22  
[pnrailshippers.com](http://pnrailshippers.com) / Seattle, WA

**NEARS Fall Conference**  
Sept 26 - 28  
[nears.org](http://nears.org) / Pittsburgh, PA

## Quote

We pay attention to what we are told to attend to, or what we’re looking for, or what we already know...what we see is amazingly limited.

*Daniel Simons*



# Industry News

## Trucking Forward After the Storms

Hurricane Harvey made landfall on the Gulf Coast at the end of August, quickly followed by Hurricane Irma moving in on Florida and Georgia. Now that the hurricanes have passed, FTR Transportation Intelligence has predicted that 25% of Gulf Coast trucking operations will remain impacted until the end of September.

Natural disasters and their effects are not new to the trucking industry. Flooding, a common result of hurricanes, can sideline trucks for days as they wait for roads to become passable, which can lead to an overall increase in prices. Following Hurricane Katrina in 2005, spot prices rose an average of 7% nationally for the next five months, while severe storms in the winter of 2014 led to a 22% increase in those same prices over the previous year. Shipping rates will not be the only ones affected. Approximately 30% of U.S. oil refining occurs in Texas, and weather-related impacts on fuel production can lead to changing fuel prices and shortages. In fact, north Texas experienced Harvey-related fuel shortages within a week of landfall.

This is not the first time, nor will it be the last, that Mother Nature will wreak havoc on the trucking industry. America, however, will keep on truckin'.

## Readying for Holiday High Spirits and Surcharges

FedEx and UPS recently announced their 2017 holiday surcharge schedules. While both companies will institute surcharges over the holidays, they are each taking a different approach, giving customers a choice to make.

The good news is that FedEx will exempt customers from most holiday fees. Based on a statement released by the carrier on August 3rd, the only exception will be on large, bulky items that require special handling. For such items, the price will increase between \$3 and \$300 per package.

As for UPS, they will add a surcharge of 27 cents per parcel package beginning November 19th. An additional 97 cents per parcel package will apply from December 17-23. UPS spokesperson Glenn Zacarra stated that "...the company must double daily delivery volume for six to seven consecutive weeks to meet customer demands." Small businesses and individuals will be subject to the fees, while large customers with contracts will not be affected.

## Intermodal News

**CSX begins operations at Pittsburgh Intermodal Rail Terminal**— A new intermodal rail terminal located in McKees Rocks, Pennsylvania began operations September 11th and provides shippers new transportation options to and from the area. CSX promises the new facility will expand markets across the country and the world, improve supply chain flow and reduce transportation costs.

**INRD and CN make headway with intermodal partnership**— According to Eric Powell, Indiana Railroad (INRD) Manager of Business Development, "The Port of Prince Rupert located on the Canadian National (CN) can now handle double the capacity of just a year ago, thanks to the addition of a second ship berth, four Super Post-Panamax cranes and on-dock rail." As for the INRD portion of the intermodal service, "Our Indiana intermodal business to and from Asia and Europe has grown an average of 37% yearly since we opened in 2013." Powell continues, "We at Indiana Railroad are proud to link Indiana with Asian and European trade—and we look forward to growing with [our customers]."

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

### Thinking Outside the Box

Children between 4 and 6 years old can often solve this problem in less than 5 minutes. Can you?

$8898=7 \quad 7774=0$

$1203=1 \quad 1003=2$

$4566=2 \quad 9856=4$

$5464=1 \quad 8764=3$

$4500=?$



Source: <http://www.seemypersonality.com/Brain-Teasers>

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