



Let's Talk Turkey About Reducing Transportation Costs

According to the 2017 Trucking Perspectives report published in a recent issue of *Inbound Logistics*, the number one challenge faced by shippers is "reducing transport[ation] costs." Seventy-nine percent (79%) of the Trucking Survey respondents stated that this is their greatest challenge, up from 71% in 2016. Rail shippers are similarly concerned about costs. As reported in the Soy Transportation Coalition's annual Railroad Report Card released earlier this fall, rail rates were recognized as one of the top two issues.

When talking about reducing transportation costs, there are a number of strategies available to shippers, whether truck or rail. According to Alex Stark of logistics company Kane Is Able, some of the simplest strategies include: contracting steady volume lanes, developing relationships with carriers, increasing efficiency of load/unload times and shipping more product, less often. Of course, there are other front-end strategies to consider; however, implementing a less often thought of—but equally beneficial—freight cost audit on the back end of freight transactions is a strategy worthy of attention, as well. At **AMTR**, freight cost audits are our specialty. We help our clients reduce transportation costs—some to the tune of millions of dollars—through overcharge claims filing and recovery, freight-related data analytics, and by simply getting to know the ins and outs of their transportation business as if it were our own. Although we use state-of-the-art knowledge-discovery technologies to enable our audits, our SMART, human transportation experts are always in the lead. If your company is looking for a NO COST way to reduce your transportation expenses, let's talk some turkey. With **AMTR SMART Auditing**®, you will be saying thanks all the way to the bank.



Advances in Railroad Technologies—Looking Ahead for Positive and Negative Impacts

The rail industry is working hard to implement a number of new technologies that will improve operations and competitiveness. A recent article by *Forbes* contributor Steve Banker states that rail freight market share has slipped somewhat over faster, more reliable modes of transportation, such as truckload and parcel services. Although moving freight via rail is a relatively low-cost mode of transportation, it is slow by comparison. According to September 2017 statistics of several Class I railroads in North America, the railroads' speeds averaged about 25 miles per hour. In order to compete, railroads are turning to new technologies in order to provide their customers with better, faster, safer service, and to boost market share.

Initiatives like Positive Train Control (PTC), although legally mandated, will improve safety and increase throughput. Another initiative, Digital Rail Services, launched by tech giant Siemens in Atlanta, Georgia, will create what it calls the "Internet of Trains". This cloud-based industrial data analytics platform will be able to monitor traffic, identify problems and implement remote diagnostics by collecting and analyzing billions of points of data and turning them into action.

Although such advancements and investments in big tech and big data are good news for the rail industry, they will eventually translate to shipping costs. While increased efficiency in freight movement is welcome, there will still be a need to confirm the billing that follows. **AMTR** auditors know that change of any kind often generates billing issues—many of which are unexpected and certainly not captured in computer-based audit algorithms. In these cases, there is simply no substitute for human interpretation and intelligence. No matter what the changes, the transportation experts at **AMTR** stand ready to ensure clients' freight costs are not adversely impacted.

Quote

Expressing thankfulness energizes, enhances, and empowers.

Skip Prichard

The Hazards of Shipping Hazardous Goods

In trucking, the transport of hazardous materials is highly regulated. A shipper is required to notate several things on a bill of lading if a chemical being transported is explosive, flammable, corrosive, combustible, toxic, poisonous or otherwise dangerous. The specific type of hazard must be indicated, as well as the packing group to which it belongs. Packing groups indicate what degree of danger the product presents—I meaning high danger, II meaning medium and III meaning low. Also affecting classification is the handling unit, such as cartons, drums or tanks; therefore, the handling unit type should be listed on the bill of lading. The presence of this information serves to inform drivers what placarding, if any, is necessary when moving the product. It also serves to help carriers determine which NMFC item and class apply.

It is very important that shippers indicate the type of handling unit, the applicable hazard class (from Class 1 Explosives to Class 9 Miscellaneous Dangerous Goods) and the correct packing group that applies to the dangerous goods being shipped to avoid being overcharged. If a shipper indicates a hazard class with no packing group, for instance, the carrier has the right to assume that the highest danger packing group—Packing Group I—applies. The lower the packing group, the higher the charges are, typically. The carrier also has the right to assume that the handling unit type used was the one that results in the highest charges.

Don't let hazardous goods become hazardous to freight charges. **AMTR**'s SMART auditors are experts in hazardous goods and NMFC classifications. Let us audit your freight bills today and save you big money!

ELD Mandate Will Not Be Delayed by New FMCSA Head

Raymond P. Martinez was chosen by the Trump administration late last month to become the newest leader of the Federal Motor Carrier Safety Administration (FMCSA). Martinez, former Chief Administrator of the New Jersey Motor Vehicle Commission since 2010, vocalized his support of the Electronic Logging Device (ELD) mandate in the early days of his FMCSA leadership. "The goal is not to cripple commerce. The goal is to make roadways safer," said Martinez, who acknowledges that the ELD mandate could cause big problems for independent truck owners.

The ELD mandate has technically been in effect for more than 21 months, as the FMCSA rolled out a three-phase compliance plan for those carriers and independent truckers subject to the rule. Phase 1 of this plan started February 16, 2016, and was to be used as a period for carriers and drivers to prepare for compliance. This phase ends December 18, 2017, and marks the beginning of Phase 2. Phase 2 is focused on phased-in compliance and runs through December 16, 2019. Under Phase 2, only Automatic On Board Recording Devices or ELDs that are self-certified and registered with the FMCSA will be accepted. There is some flexibility in Phase 2, however, as safety officials will not enforce the mandate's out-of-service criteria until April 1, 2018. Phase 3, which mandates full compliance, will require all drivers to utilize self-certified ELDs that are registered with the FMCSA.

AMTR will continue to provide updates about legislation, implementation and any results, positive or negative, from ELDs.

Industry News

Chicago Rail Congestion Relieved by New Interchange Junction

Chicago, Illinois is the busiest rail interchange in North America. *Fox Business* reports that, in an effort to relieve congestion, Canadian National and Norfolk Southern railroads have brokered a deal to interchange some traffic at Elkhart, Indiana, bypassing the Chicago network. The resultant savings of transit time should be a boon to shippers, providing additional fluidity throughout the rail network. This unusually high level of cooperation in the Chicago area is a particularly timely effort during a time of heavy competition among the eastern railroads.

Railroad Leadership Changes

Railway Gazette reported recently that Chief Operations Officer (COO) Cindy Sanborn, Chief Sales and Marketing Officer Fredrik Eliasson, and General Counsel and Corporate Secretary Ellen Fitzsimmons left CSX on November 15th. Former CN executive James Foote will join the company as COO. Nathan Goldman will step up from his current role as VP of Risk Compliance to serve as Chief Legal Counsel and Corporate Secretary.

Railway Age also announced the appointment of Joseph Parsons as the new General Manager of the Iowa Interstate Railroad, as Jerome Lipka retires from the position as President. Al Satunas will assume the position of Chief Operating Officer.

American Truck & Rail Audits, Inc. November 2017 Contest



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