

In Simple Terms

Simplified Logistics Quarterly Newsletter

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Our Maiden Voyage

Striving to Keep our Customers Informed and Educated

In an effort to keep you our customers both educated and informed we have embarked on a voyage to issue a quarterly newsletter where we do just that. These newsletters will bring to light topics in the industry that may effect your daily decision making processes. It will also focus on topics in Washington D.C. that may effect your business as well as your customers.

We will also take time to keep you abreast of how your carriers are doing by posting service metrics based on the monthly service performance of our top carrier. Every quarter we will profile a member carrier so you may learn more about their service capabilities to hopefully better serve your needs.

CSA 2010:

What Does it Mean for You?

FMCSA's Compliance, Safety and Accountability (CSA) initiative changes the way carrier and driver performance are measured. CSA replaces SafeStat with a new Safety Measurement System (SMS) that measures the previous two years of roadside violations and crash data. Every licensed motor carrier will have their own CSA or BASIC score.

The BASIC score is derived from seven unique categories:

- Unsafe Driving
- Fatigued Driving (Hours-of-Service)
- Driver Fitness
- Controlled Substance/Alcohol
- Vehicle Maintenance
- Cargo-Related
- Crash Indicator

Currently the SafeState system is still the FMCSA's measurement tool. Carriers have ratings of satisfactory, conditional, unsatisfactory or no rating. Implementing the CSA 2010 will allow more carriers in the "none" category to be rated. Just because a carrier carries a SafeStat Rating of "none" does not mean they are

unsafe. It simply means the DOT has not yet performed an audit of that company. With over 250,000 for-hire carriers this is a huge challenge.

The public can go online and review the carriers it hires by checking their CSA scores.

Data can be found at:
<http://ai.fmcsa.dot.gov/sms/>

The program still has bugs to work out and should not be the only management tool used for carrier selection. The full implementation of CSA 2010 is still not known as the FMCSA works out all the bugs to make the system fair for all.

Claims Management Series

Best Practices in Freight Claim Management Part 1 in a Series

Processing freight claims is something almost every shipper or receiver does out of necessity. Cargo claims affect so much more than the individual shipment involved, yet processing of transportation claims and root cause analysis will often take a back seat to many other priorities. In the interest of time companies will write off any claim that falls below a given dollar amount, or write-off threshold, believing there is a break-even point between the cost to process and the amount of potential return. Unfortunately, failing to capture and investigate these small claims often means they also write off their opportunity to determine root cause and implement corrective action. Shippers fail to recognize that there are other costs associated with claims such as the cost to reorder raw materials, remanufacture product, reship, re-invoice, etc. Ensuring best practices in claims management are used shows you have a keen understanding of all loss and damage occurrences and let nothing slip through the cracks.

At a high level, shippers will want to adhere to the following guidelines:

1. Standardization of internal processes, including documentation and enforcement of company policies pertaining to freight claims (applicable to carrier and shipper)
2. The funneling of all requests and decisions relating to freight claim management through a well trained department or associate
3. Use of metrics by which past and future performance will be measured
4. A keen understanding of carrier contracts, tariffs and industry standards and practices
5. Use of a strictly managed and contractual O.S. & D. (overage, shortage & damage) process
6. Implementation and use of modern, web based claim management system for processing, visibility and reporting
7. Use of true root cause analysis
8. Participate in ongoing education and training opportunities relating to transportation claims and freight claim management techniques

Implementing best practices in claim management requires highly trained individuals knowledgeable of contracts, transportation law and tariffs to ensure the shippers best interests are protected. Absent the necessary in-house talent, outsourcing claim processing can prove a huge benefit because the shipper can take advantage of state of the art, web-based technology and rely on the 3PL's highly trained staff while only paying a fee if funds are successfully recovered. Either way you choose to go, properly researching and managing loss and damage claims is a must if customer satisfaction is important to you and your company!

- Lori Youngberg, President, FreightClaimAudit.com
 - Deirdre James, Director of Claims & Loss Prevention





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From the Desk of David Klugman

Opportunities Despite Uncertainty

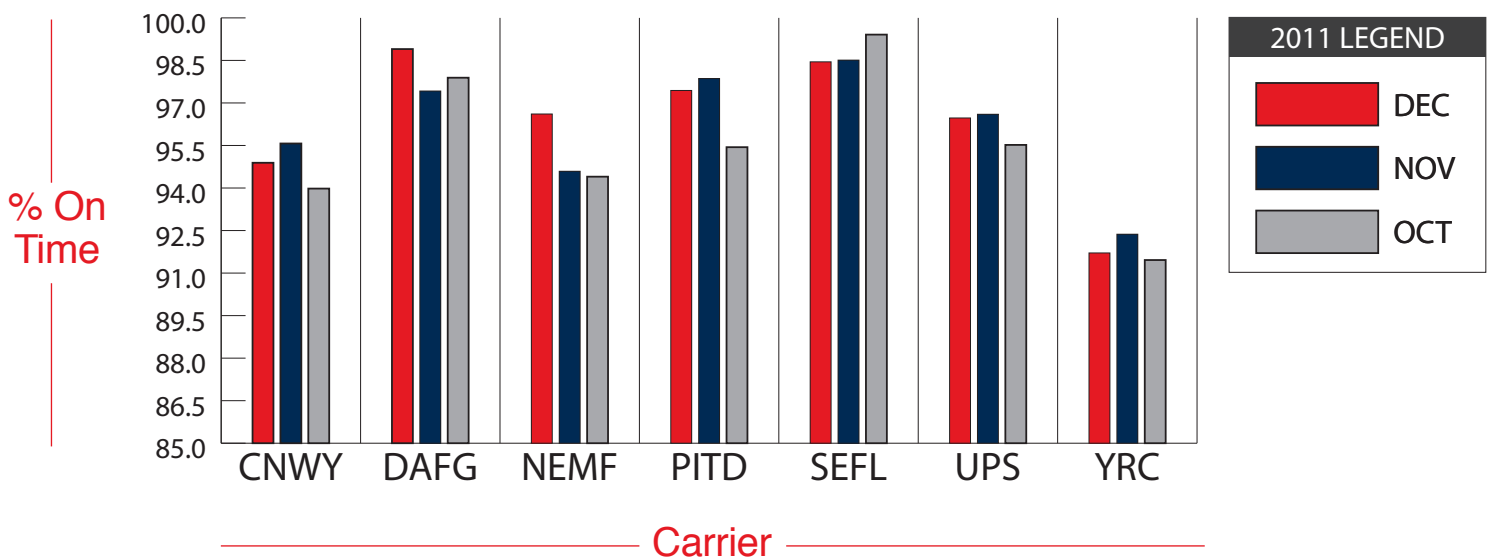
Happy New Year! 2012 brings new opportunity and old challenges to the table. Uncertainty in the middle east makes the “fuel variable” a concern for everyone with transportation budget ownership. Carrier consolidation and opportunistic price increases continue as the economy slowly improves.

More so than in most years, 2012 is positioned to be tough on budgets and particularly tough on shippers not paying attention to alternatives as carriers impose larger/selective price increases. The good news is that most shippers have “opportunity” built into their current behavior. Paying attention to what you can control and looking for assistance in areas you can’t is a new years resolution that will pay dividends all year.



Carrier Service Metrics

4th Quarter 2011



Carrier Profile



NEMF New England Motor Freight

- Privately Owned and Operated
- Highest Growth, Lowest Cost
- Non-Teamster Operation
- 40 Strategically located company owned terminals
- Most next day service in the Northeast
- 6,000 vehicle fleet - trailer to tractor ration of 3:1
- Financial Stability - no long term debt

National Account Representative
ED Campbell - 908.230.1546



The NEMF Advantage

- Extensive network
- On-time deliveries - 98% +
- On-board computers, document imaging and scanning
- Online shipment tracking
- Fast, accurate billing - 99.3% +
- Most next day service points
- Fleet of over 6,000 vehicles
- EDI

Puerto Rico Service

NEMF World Transport - A Leader in LCL Transport to Puerto Rico Offers:

- Door to door LCL service to Puerto Rico between the U.S. and Canada.
- LCL consolidation, warehousing and distribution services.
- Real-time web tracking and reporting.

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