

# In Simple Terms

Simplified Logistics Quarterly Newsletter



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## Understanding the Hours of Service (HOS) Regulations

*In 2003 the Federal Motor Carrier Safety Administration (FMCSA) issued rules that were designed to increase driving safety for truck drivers.* The goals of the rules were to reduce excessively long work hours that increase the risk of fatigue-related crashes and long term health problems for drivers. The rule cannot ensure that drivers will be well rested, but it can ensure that they will have enough time off to obtain adequate rest on a daily and weekly basis.

**There are several key factors involved in this ruling that have been causing concern:**

**1) Driving Limit** – There were 2 proposed time limits of which have been causing concern. The FMCSA proposed a 10 hour time limit which could drastically impact many trucking operations at a 10 hour limit. This equates to a 9% reduction in wages, revenue and productivity. Due to the fact that there is no compelling scientific evidence demonstrating the safety benefits of the 10 hour versus the 11 hour limit the 11 hour limit remains currently unchanged.

**2) Restart Provisions** - Drivers are allowed to work excessively long work weeks at up to 14 hours a day and 80 hours per week. At the completion of their work week drivers must rest before restarting their work week. The restart must cover 34 consecutive hours and include at least two periods between 1AM and 5AM.



“ **Education.**  
**Advocacy.**  
**Connections.**  
**All Modes of Transportation.** ”



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## Hours of Service Regulations Cont'd...

The reason for the concern over these rulings has been the economic impact on the trucking companies due to less hours of work and restart provisions. These changes in time limits can have a negative effect on transit times which may cause drastic changes in customers shipping patterns. Also in an industry where driver shortages are common where do you replace the loss of productivity. The restart provisions also pose a threat to regular traffic patterns because if a driver does not get home by 1AM Saturday morning they cannot leave their house until 5AM Monday morning which will significantly increase congestion on the highways.

### NASSTRAC and Other Industry Groups Sue to Block Implementation of HOS Rules

NASSTRAC is part of a coalition of 15 industry groups that filed suit in federal appeals court in Washington, D.C., earlier this month to block the Obama Administration's attempt to change regulations governing commercial truck driver operations. The group contends that moving forward with this rule will only create more uncertainties in an already cumbersome regulatory environment.

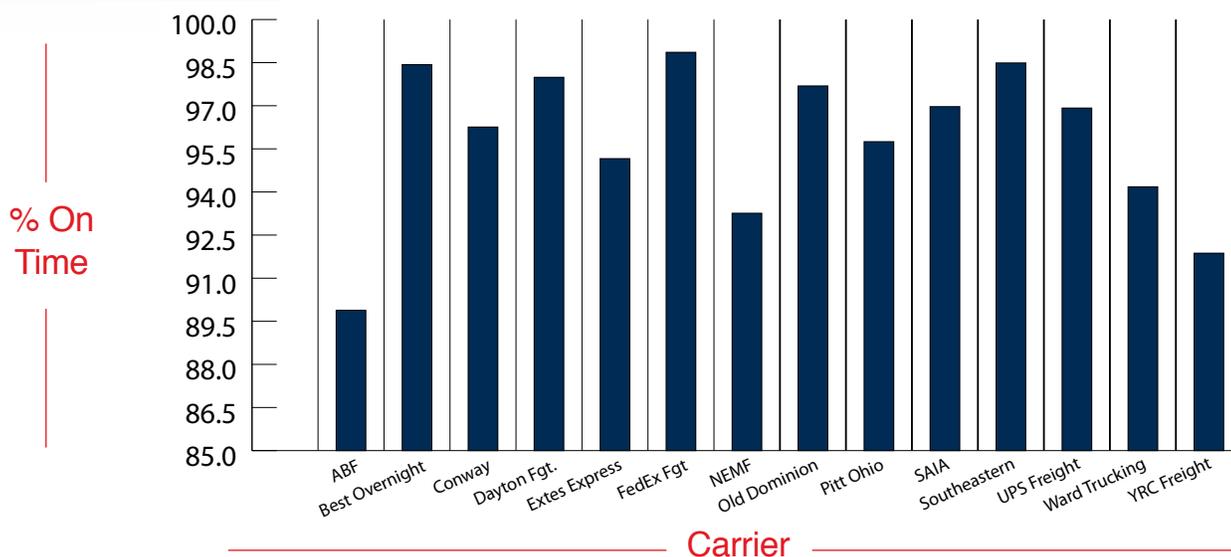
The 15 industry groups, which represent most sectors of the U.S. economy, said the Hours of Service (HOS) Rules were crafted without considering the costs they would impose on the supply chain. Industry groups have long argued that major changes in driver work rules would disrupt supply chains that have been calibrated to work with the regulations now in effect. They also maintain the trucking industry is operating as safely today as it has since records were being kept, and there is no need to impose additional regulations that will drive up costs without having an appreciable benefit on highway safety.

For more information visit [www.FreightAdvocacy.org](http://www.FreightAdvocacy.org)



## Carrier Service Metrics

### 2<sup>nd</sup> Quarter Averages 2012





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## Claims Management Series

### Best Practices in Freight Claim Management Part 3 in a Series

It is with some frequency that we come across a freight claim that has been denied due to “Shipper Load & Count”. The mere fact that freight was “shipper load and count” is not reason enough to accept a declination of your cargo claim. In many cases, the claimant is, in fact, due reimbursement. It does, of course, depend on many factors which will require research and very often changes to the shipper’s internal policies and procedures pertaining to shipment discrepancies and claims will be necessary. Having spent the better part of our 20+ careers as shippers serving the major retail and wholesale markets, we successfully adopted a number of process changes that made it possible to significantly reduce recurring and declined SL&C freight claims for other shippers.

First, it is strongly suggested that shippers use transportation contracts rather than the carrier’s tariff. That is, well crafted transportation contracts that are designed to protect the interests of the shipper. The contract should clearly define the procedures to which both parties will adhere for the purpose of identifying and reporting over, short and damage issues, or OS&D, at the soonest possible point after discovery. It is imperative that the contract be free of references to the carrier’s tariff since the tariff can change without notice and discrepancies between the two documents often results in future misunderstandings and decisions that lean toward the tariff language. Carriers often insert these references and may provide a myriad of reasons why their inclusion in the agreement is important, so shippers should enlist the services of a qualified transportation attorney to insure their best interests protected.

Second, incorporate key elements of the carrier’s Shipper Load and Count Agreement into your transportation agreement and insure your shipping locations refrain from signing any document presented by the carrier. Implementing an SL&C clause can be accomplished by adding the necessary language as a rule in the contract’s “Rules Schedule.” In our experience, it is neither necessary

nor advisable to accept or incorporate the carrier’s version of the SL&C agreement.

A third suggestion is to include language that allows for any conflict between a bill of lading and the contract to be governed by the terms of the contract. This is crucial to ensuring consistency in how freight claims and disputes are handled. Many legal experts also recommend that shippers use their own version of the bill of lading, which has a number of modified clauses, and will include language stating the bill of lading serves only as a receipt (which, in our view, is preferable).

Fourth on the list of the suggested changes is the addition of a rule requiring carriers to provide written notification of any discrepancy found on a shipper load and count trailer, and to provide this notification within a specified time frame after the trailer reaches the origin terminal or at “first break”. Historically, 24 hours was the standard but so many shipments deliver within 24 hours so much less time should be allowed (i.e. by 10AM the day after pickup). We have had the unfortunate experience of having some carriers actually wait until next day deliveries are made to issue their reports thereby defeating the purpose and putting into question the integrity of their processes. It is also important to clearly define what is meant by “first break”. If trailers are not full when tendered to the carrier, subsequent stops will most likely be made which technically becomes the “first break” so the shipment would require a full inspection at the origin terminal. Example templates should be included as “Exhibits”, along with processing instructions to insure required data elements and reporting expectations are clearly understood and agreed to by both parties. It is important for the shipper to incorporate these same requirements into their own company’s shipping and receiving practices.

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



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## Carrier Profile - Saia

### Looking for a Quality Partner?

If quality is the question you are trying to answer for your supply chain needs, then **Saia LTL Freight** is the answer.



Saia is proud to be the 9th largest LTL carrier operating in the U.S. We are financially strong and while we have over 80 years of experience behind us we know that the open road ahead of us is always challenging us to find ways to continuously improve our product and our service to our customers.

Because we see quality as a process, it is constantly in the forefront of our minds. We believe that by blending excellently trained employees with cutting edge technology we can offer you a partnership founded on meeting and exceeding your expectations.

Quality is strongly supported by technology and our proprietary use of software interlaced with strong operational processes is key to our success.

**For the Customers:** Every Saia city driver is equipped with new handheld devices that provide our customers with detailed real-time data on every shipment we handle, including estimated arrival times for both pick-ups and deliveries.

**With the Sales Group:** Saia has outfitted our entire sales team with iPads pre-loaded with Microsoft Dynamics Customer Relationship Management (CRM) software to help manage each account. The CRM software gives us a 360-degree view of every customer interaction and can manage up to 100,000 customer accounts system-wide.

**Inside the Terminal:** Forklifts are now using the latest tablet computer technology to communicate with dockworkers in order to speed the process and accuracy of loading. This cuts down on mis-loads, assuring the right freight gets on the right trailer. In addition we can send instructions to our dockworkers electronically which eases congestion on the clock and speeds the loading and unloading process.

Additionally, in order to provide quality service across our network we are constantly confirming that we have the most effective support processes in place.

**Quality Assurance Department:** An entire department dedicated to ensuring excellent service through adherence to our operational compliance.

Load Quality Inspectors are placed at our largest facilities. Their scale job is to make sure that before any door closes on a trailer that everything is packed to ensure a secure ride.

**Dock Cameras:** Our supervisors capture quality photos of every trailer at close.



1.800.765.7242  
www.saia.com

*Our 34-state network of 147 terminals allows us to provide unparalleled multi-regional service to our customers. We welcome the chance to serve your LTL freight needs. Thank you for your business.*

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