LTL Trucking Terms & Process Guide

Prepared for the Pork Niche Market Working Group

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This document is intended for anyone that is interest in a guide that will help inform you on transportation industry terms, specifics in carrier selection, process for finding a carrier, new industry regulations, and a list of different LTL carriers that are at your disposal. There is also information on recent changes to the transportation industry that truck lines and their customers will need to know. Please note this is an aided guide intended to familiarize an individual on common terms and strategies when selecting a carrier.

## Terms Associated with Trucking

- **3PL** - (see page 7)

- **Bill of Lading** – A document issued by a carrier (trucking company) which serves as a receipt for the goods to be delivered to a designated person or to his order. The bill of lading describes the conditions under which the carrier accepts the goods and details that nature and quantity of the goods, name of vessel (if shipped by sea), identifying marks and numbers, destination, etc. The person sending the goods is the "shipper" or "consignor," the company or agent transporting the goods is the "carrier", and the person for whom the goods are destined is the "consignee". Bills of lading may be negotiable or non-negotiable. If negotiable, i.e., payable to the shipper’s order and properly endorsed, title to the goods passes upon delivery of the bill of lading. For example (See appendix # 1)

- **Break Bulk** – To separate a composite load into individual shipments and route to different destinations.

- **Broker** (see page 7)

- **Cargo Weight** - Combined weight of all loads, gear and supplies on a vehicle.

- **Certificate of Insurance** - A document containing certain terms of a full-length insurance policy. A one-page document, it is evidence that there is insurance coverage for a shipment. Beneficiaries of open cargo or blanket insurance policies are authorized to issue their own certificates of insurance. For example (See appendix # 2)

- **Cityliner** - Truck used in the city for pickup and delivery. Also called “cub”, “pickup”, “whoopee”, and “shags”.

- **CMV** – Commercial Motor Vehicle

- **Common Carrier** - Freight transportation company which serves the general public. May be regular route service (over designated highways on a regular basis) or irregular route (between various points on an unscheduled basis).

- **COFC (Container On Flat Car)** – Method of moving shipping containers which involves transporting them on railroad flat cars.
o **Consignee** - The receiver. The company taking in freight. The place you deliver your load/goods.

o **Consignor** - Shipper of goods.

o **Dead-Heading** - Operating a truck without cargo.

o **Detention Time** - A charge the motor carrier assesses when a shipper or receiver holds a truck or trailer beyond the free time the carrier allows for loading or unloading.

o **EDI (Electronic Data Interchange)** - The business-to-business interconnection of computers for the rapid exchange of a wide variety of documents, from bills of lading to build tickets at auto plants.

o **FOB Pricing** - A term of sale defining who is to incur transportation charges for the shipment, who is to control the shipment movement, or where title to the goods passes to the buyer; it originally meant “free on board”

o **FOB Origin** – Title passes at origin, and buyer has total responsibility over the goods while in shipment. Customer takes ownership (title and control) of the goods at the origin (when the carrier signs for goods) and is responsible for transportation of the goods beyond this point. The customer files claims (if any). *(See Appendix 3)*

o **FOB Destination** – Title of the goods passes at destination, and seller has total responsibility until shipment is delivered. Ownership (title and control) remains with seller until goods are delivered. It is expected that the supplier will make all of the transportation arrangements. This policy recognizes that the supplier may be in a position to handle transportation more economically than the customer or that the customer does not possess the desire or expertise to make such arrangements. The Seller files claims (if any). *(See Appendix 3)*

- If the terms agreed on are FOB Origin or Destination **Freight Prepaid** – The seller pays and bears the freight charges. *(See Appendix 3)*

- If the terms agreed on are FOB Origin or Destination **Freight Prepaid and Charged Back** – The seller pays the freight charges but charges them back to the buyer in the invoice. *(See Appendix 3)*

- If the terms agreed on are FOB Origin or Destination **Freight Collect** – The buyer pays and bears the freight charges. *(See Appendix 3)*

- If the terms agreed on are FOB Origin or Destination **Freight Collect and Allowed** – The buyer pays the freight charges, but the seller bears the charges in the invoice. *(See Appendix 3)*

o **Freight Forwarder** - A person that dispatches shipments via common carriers and books or otherwise arranges space for those shipments on behalf of shippers
and processes the documentation or performs related activities incident to those shipments.

- **Free Time** - The period goods will be held before storage charges are applied.

- **Fuel surcharges** - An adjustment based on a rounded average of the national U.S. on-highway average prices for a gallon of diesel fuel. *(See appendix #4, 5)*

- **GVW (Gross Vehicle Weight)** - Total weight of a vehicle and everything aboard, including its load.

- **Hazmat** - Hazardous materials, as classified by the U.S. Environmental Protection Agency (EPA). Transport of hazardous materials is strictly regulated by the U.S. Department of Transportation.

- **Hot Load** – emergency shipment of goods needed in a hurry.

- **ICC** – Interstate Commerce Commission.

- **Intrastate** – Carrier that just provides services within a state. Does not go to other states. (very uncommon).

- **Intermodal** - When goods is undertaken by one or more successive modes of transportation (i.e. truck to train or rail to water).

- **Interstate** – Carrier that provides services from state to state or within a certain geographic region. (very common).

- **Lumper (Lumping)** - The act of assisting a motor carrier owner-operator in the loading and unloading of property; quite commonly used in the food industry. Often there is a fee placed on the driver for this assistance.

- **Line Haul** - movement of freight between cities and terminals. Line haul does not include pickup and delivery service.

- **LTL Carrier** - Trucking company which consolidates less-than-truckload cargo for multiple destinations on one vehicle. *(see further explanation below)*

- **Less-than-Truckload (LTL)** - Shipment that would not, by itself, fill the truck to capacity by weight or volume. Carriers LTL rates are generally higher than TL rates. A quantity of freight less than that required for the application of a truckload (TL) rate; usually less than 10,000 pounds.

  - **Lbs. considered for each** - TL shipments are generally anything over 10,000 lbs. and LTL shipments are generally less than 10,000 lbs. However, each company may vary in how much weight is considered TL or LTL.

  - **Breakpoint b/w TL and LTL** - The level at which a discount is given for a volume order meeting the minimal weight for a TL shipment. *(For
example 10,000 lbs. is a common breakpoint at which you will be charged for a full truckload).

- **Milk Run** - Is assumed that the number of shipments, deliveries, and movements to certain location(s) are equal and on a fairly constant basis.

- **Packing List** - a document that more thoroughly identifies the goods to be delivered than a *bill of lading*.

- **P & D** - Pick-up and Delivery.

- **Pallet Size** - 40 X 48 in. (standard size).

- **Payload** - Weight of freight being hauled.

- **Peddle Run** - Truck route with frequent delivery stops.

- **Per hundred weight (CWT)** - A unit of weight measurement created by U.S. merchants since the late 1800s. A hundred weight is equal to exactly 100 pounds. Usually, this measurement is used in futures contracts that require the weight of the underlying to be specified.

- **Private Carrier** – Business which operates trucks primarily for transporting its own products and raw materials.

- **Pup Trailer** – Short semi-trailer, usually between 26 and 32 feet long with a single axle.

- **Reefer Truck (Refrigerated Vehicle)** – A Cargo unit which has a controlled temperature reefer unit on the trailer to keep specialized products at a constant temperature. Food items are common products to be shipped on a reefer truck.

- **Shipping Weight** – “Dry” weight of a truck including all standard equipment, but excluding fuel and coolant.

- **Team (Driver Team)** – Team of two drivers who alternate driving and resting.
  - Single Driver – Person driving by himself/herself.

  **TEU (Twenty Equivalent Unit)** - Standardized unit for measuring container capacity on ships, railcars, etc.

- **TL Carrier** - Trucking company which dedicates trailers to a single shipper's cargo.

- **TOFC (Trailer On Flatcar)** – Method of moving cargo which involves transporting semi trailers on railroad flat cars.

- **Truckload (TL)** – Shipment that fills a trailer to its maximum capacity, either by weight or cube. Carriers give a rate reduction for shipping a TL size shipment.
Basic descriptions of LTL and Reefer Trucks

Refrigerated Trucking Loads
Refrigerated trucking loads require special care. Anything shipped in refrigerated containers is there because the load is fragile and susceptible to rises in temperature. In many cases, the load will also be time sensitive. If you drive for a trucking company that offers refrigerated rigs, you will most likely have a signaling device in your truck so customers can be reassured that their goods are where they should be at any given time.

LTL Trucking Companies - Providing Service
LTL trucking company’s serve the needs of a unique niche in the shipping business. When it's a smaller load, LTL companies are there, ready to haul it to many different locations in the US and neighboring countries. If you have a product to move, you can call on one of these companies for fast, quality service. (A LTL trucking company list is provided on page 24)

If you're a driver, hauling smaller loads for an LTL company can be a good job. It can mean shorter hauls in some cases.

LTL Services
LTL trucking companies offer some unique services that larger trucking companies cannot manage due to price structures and other constraints. For example, LTL carriers often move loads from door to door as well as from dock to dock. This means that they can serve residential and small business needs in a way that challenges other types of shippers.

The advantage to a driver can be the steady work, pay, and benefits. Many LTLs do a lot of local shipping so the driver can be home every night. The disadvantage can be the number of stops the driver needs to make and the fact that the driver may be required to unload freight for a significant portion of his/her day. If you're considering working for an LTL, you will need to weigh the pros and cons to see if it's right for you.

LTL Intrastate Carriers
If you think finding LTL carriers is difficult, try hunting for refrigerated LTL carriers that specialize in intrastate transportation of goods. Because LTL refrigerated companies rely so heavily on multiple customers for different location drop-offs, one would not survive in servicing just one state so therefore provides interstate service as well to expand their territory while also providing the customer commitment and satisfaction.

An example of an Iowa company that provides this service is PDI (Perishable Distributors of Iowa) who is a wholly owned subsidiary of HyVee, Inc. based out of Ankeny. PDI distributes to not only to certain destinations in Iowa but also seven other Midwest states.
**What is a Broker?**

A Broker is a company or individual that arranges for transportation of cargo belonging to others, utilizing for-hire carriers to provide the actual transportation. However, the Broker does not assume responsibility for the cargo and usually does not take possession of the cargo.

Freight brokers put customers, loads, trucks, and drivers together. When a trucking company has a customer whose load has to go now, they will call a broker if they don't have a truck available. Brokers do the legwork it takes to find the trucks fast. They make the phone calls, contacts, and arrangements on behalf of the trucking company and the driver.

Brokers charge a fee for this service, and the fee is often based on how critical it is to move the load. They are in a position to save the trucking company owner a lot of time, but using a broker can add to the cost of the load. Many companies establish relationships with brokers in order to get the best possible rates when they are in crisis mode and have to move a valuable load.

**Finding Freight Brokers**

Brokers advertise just like any other vendors. They get most of their referrals, however, by word of mouth. Drivers can register with brokers, making it known that they are available when there is a crisis. Drivers can get more money when they work with a broker because they know that many trucking companies only use brokers when there is a critical need.

**What is Third-party logistics (3PL)?**

Third-party logistics is the outsourced movement of goods along a diverse or an entire company’s supply chain. Third-party logistics are activities carried out by an external company on behalf of a shipper and consisting of at least the provision of and management of multiple logistics services. These activities are offered in an integrated way, not on a stand-alone basis. The co-operation between the shipper and the external company is an intended continuous relationship.

**How to get good service from a Broker/3PL?**

It is important to maintain a good working relationship with your broker. A good affiliation between your broker and yourself all depends on how well you keep in contact and how well you treat them. This means be friendly with them, ask them how things are going. Make small talk and try to understand how their business works. To insure good service be timely with your billing, this includes payment and any other billing they may need. Making sure all bills are accurate will save time and confusion. If you want to keep a good personal relationship with your broker make sure you give them loads on a regular basis. If you only call when you are in dryer need of a load the broker probably won’t put a high priority on it. If you call only a few times a year, they know it is a busy time of year and you are only calling because there are no trucks available anywhere. A broker will set a higher priority on customers he deals with all the time and then they will
try to meet your needs. A broker does want your business, you just have to build a relationship on trust and they will continue to meet your needs.

**What a Broker needs to know**

This is a list of things a broker will need to know from your company when a load is arranged for shipment. A good broker will ask you these questions when he contacts you about freight which they might be moving for you.

- **Pallet exchange or Chep** – A broker will need to know if you (the customer) use Chep Pallet exchange or regular pallet exchange.

  Chep - is an international pallet and container pooling company. Their reusable wooden and plastic pallets are an efficient option for one-way disposable pallets. Through Chep's system, after a delivery of goods, pallets and containers are returned to a Chep location where they are inspected and returned to the supply chain.

  **Pallet Exchange** – Is a basic exchange of pallets between the driver and the customer he is making the pick-up/delivery to. The truck must have enough pallets in his truck to make an equal exchange with the customer. This is important for a broker to know so he can inform the driver to bring pallets along with them.


The best way to approach pallet leasing is to look at it through the entire supply chain using activity based costing and value chain analysis. This report provides a roadmap to objectively compare the costs (inefficiencies and/or savings efficiencies) of pallet leasing versus pallet exchange or slip-sheets. It identifies the process flows for leased pallet systems compared to current pallet exchange and slip-sheets systems, and the non-value added exchange and slip-sheets.

- **Receiving Hours** – The hours that your company is available for pick-up and delivery. The broker needs to know when the truck can deliver because it is essential on any truck load to allow enough time for the freight delivery or enough time for the next pick-up

- **Pick-up/delivery locations** – Pick-up and delivery locations are not always at the main plant they are often at a warehouse. A broker will also need to know driving directions to your facility. This is so they are able to dispatch their drivers when needed.

- **Temperature request** – The broker will ask at what temperature you require your shipment at. Not all items are required to be frozen, and some are not to be frozen at all. So the customer needs to know what temp their product should be shipped.

- **Shipments due date** – The shipment due date is the date you request your freight to delivered on time.
• **Transit Time** - is total time that elapses between a shipment's pickup and delivery. If a shipment is picked-up in Des Moines at 6:00 AM and is delivered in Chicago at 12:00 PM the transit time is six hours.

**Broker Pros and Cons**

**Pros**
- A broker can provide you with a larger selection of trucks. They have unlimited number of truck companies they can deal with. Where a truck company only has its limited number of trucks
- A major advantage working through a broker is the one-contact or one call advantage. Instead of calling several different carriers to find a truck, you can make one call to a broker and they will cover it and make the calls for you.

**Cons**
- A broker needs to established and reputable in order for you to rely on them. This can be a little tricky, but a good way to figure this out is to contact the broker and ask if you can have a customer reference. (See appendix # 4) The broker should be willing to get a customer reference so you can contact the customer and ask if the broker is trustworthy and reliable. One or more references may be a good idea to get a full idea on how reliable the broker is.
- Brokers have less driver contact than a dispatcher at a truck line. This is a con because the broker doesn’t know the drivers individual needs and can cause some unwanted communication problems.

**Small Broker Pros and Cons**

**Pros**
- A small broker firm is easy to contact, and therefore more accessible. Small brokers have fewer contacts and tend to give their customers more attention.
- Personal attention from smaller brokers often works well for people. A smaller company always is a little more personable because they deal with a smaller volume of freight and customers. In turn, a smaller broker can meet their individual needs and wants which in turn tries to adapt to what their customers want.

**Cons**
- A smaller broker may have difficulties handling too many loads. A small broker has lesser number of people working for them so if they started getting too many loads they would become less personable and maybe overwhelmed.
- Smaller brokers payment methods could be a difficult or unreliable. Small brokerages generally don’t have the capacity to handle a ton of loads. A broker will let you know when it is too much, but usually they will have back up to cover their needs.
Payment Terms

Some companies may offer different payment terms and some may be a little more lenient on their payments. Some offer payment terms such as 2% ten net thirty. This in essence means that all payments are due thirty days from the day the invoice was received, but if you choose to pay within ten days you will receive a discount of 2% of the total bill. Timely payments are essential to keep a good working relationship so know what terms your broker may offer and be timely with your payments and mainly make sure you can pay your bill.

Example Rates from Brokers in Iowa

The following three companies provided these rates as examples on what they might charge from Des Moines, IA to the following lanes. These are not exact prices that the following carriers would charge. These were given just as examples of how these brokers might bid or charge its customer.

C.H. Robinson

RATES*: Calculated on a PER 100 lbs (CWT) basis

<table>
<thead>
<tr>
<th>ORIGIN: Des Moines, IA</th>
<th>Destination City</th>
<th>Destination State</th>
<th>Minimum (1000 Lbs)</th>
<th>2000 Lbs</th>
<th>5000 Lbs</th>
<th>10000 Lbs</th>
<th>15000 Lbs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
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<td>$</td>
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<td>11.79</td>
<td>6.85</td>
<td>5.22</td>
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</tr>
<tr>
<td>Oakland</td>
<td>CA</td>
<td>$</td>
<td>28.32</td>
<td>20.96</td>
<td>16.38</td>
<td>14.76</td>
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<tr>
<td>Newark</td>
<td>NJ</td>
<td>$</td>
<td>27.17</td>
<td>19.45</td>
<td>14.67</td>
<td>12.87</td>
<td>12.09</td>
</tr>
<tr>
<td>Miami</td>
<td>FL</td>
<td>$</td>
<td>30.07</td>
<td>22.13</td>
<td>17.01</td>
<td>15.29</td>
<td>14.44</td>
</tr>
<tr>
<td>Orlando</td>
<td>FL</td>
<td>$</td>
<td>27.99</td>
<td>20.10</td>
<td>15.09</td>
<td>12.58</td>
<td>12.41</td>
</tr>
</tbody>
</table>

*The above rates are general tariff rates and are not an offer to any particular shipper. Additional charges may apply for accessorials or non-metro delivery locations.

- What are your main routes or lanes? We can deliver from the Midwest to all major cities in the continental US.

- Do you offer real-time quotes that customers could obtain over the Internet? Not at this time but we are developing the tools needed to do so.

- Do you offer LTL services that ship between 28° F and 36° F? (Gives the lowest Temp rates for estimations i.e. 28° F) Yes, we offer all Temp Ranges from –20° F to 60°F.
Streamline Logistics

<table>
<thead>
<tr>
<th>Destination City</th>
<th>Destination State</th>
<th>Minimum (1000 Lbs)</th>
<th>2000 Lbs</th>
<th>5000 Lbs</th>
<th>10000 Lbs</th>
<th>15000 Lbs</th>
</tr>
</thead>
<tbody>
<tr>
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<td>IL</td>
<td>$15.00</td>
<td>$8.88</td>
<td>$6.25</td>
<td>$5.05</td>
<td>$4.00</td>
</tr>
<tr>
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<td>$15.25</td>
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<td>$10.10</td>
<td>$9.95</td>
<td>$9.50</td>
</tr>
<tr>
<td>Newark</td>
<td>NJ</td>
<td>$30.00</td>
<td>$23.50</td>
<td>$18.95</td>
<td>$15.57</td>
<td>$14.25</td>
</tr>
<tr>
<td>New York</td>
<td>NY</td>
<td>$30.00</td>
<td>$23.50</td>
<td>$18.95</td>
<td>$15.57</td>
<td>$14.25</td>
</tr>
<tr>
<td>Miami</td>
<td>FL</td>
<td>$30.50</td>
<td>$23.95</td>
<td>$19.05</td>
<td>$14.25</td>
<td>$13.85</td>
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<tr>
<td>Orlando</td>
<td>FL</td>
<td>$27.50</td>
<td>$19.90</td>
<td>$16.05</td>
<td>$11.95</td>
<td>$10.60</td>
</tr>
</tbody>
</table>

- What are your main routes or lanes? **We can deliver from the Midwest to all major cities in the continental US.** The lane with most volume is Iowa to California-Nevada.

- Do you offer real-time quotes that customers could obtain over the Internet? **Not at this time but we are looking into developing a system for this.**

- Do you offer LTL services that ship between 28° F and 36° F? (Gives the lowest Temp rates for estimations i.e. 28° F) **Yes, we offer all Temp Ranges from –20° F to 60° F.**

Des Moines Truck Brokers (DMTB)

<table>
<thead>
<tr>
<th>Destination City</th>
<th>Destination State</th>
<th>Minimum (1000 Lbs)</th>
<th>2000 Lbs</th>
<th>5000 Lbs</th>
<th>10000 Lbs</th>
<th>15000 Lbs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>IL</td>
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<td>$9.11</td>
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<td>$5.07</td>
<td>$4.15</td>
</tr>
<tr>
<td>Oakland</td>
<td>CA</td>
<td>$16.25</td>
<td>$20.96</td>
<td>$16.38</td>
<td>$14.76</td>
<td>$13.95</td>
</tr>
<tr>
<td>Newark</td>
<td>NJ</td>
<td>$27.17</td>
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<tr>
<td>New York</td>
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<td>$14.72</td>
<td>$14.01</td>
</tr>
<tr>
<td>Miami</td>
<td>FL</td>
<td>$30.07</td>
<td>$22.99</td>
<td>$18.03</td>
<td>$14.57</td>
<td>$14.04</td>
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<tr>
<td>Orlando</td>
<td>FL</td>
<td>$27.45</td>
<td>$20.03</td>
<td>$15.55</td>
<td>$12.03</td>
<td>$11.01</td>
</tr>
</tbody>
</table>

- What are your main routes or lanes? **We can deliver from the Midwest to all major cities in the continental US.**

- Do you offer real-time quotes that customers could obtain over the Internet? **We offer quotes but they are not real-time**

- Do you offer LTL services that ship between 28° F and 36° F? (Gives the lowest Temp rates for estimations i.e. 28° F) **Yes**
What to look for when selecting a truck carrier

When you are selecting a freight carrier to help with your shipping needs, there are several things to consider. And remember, your carrier is an extension of your sales process. Make sure to select a carrier that will help you enhance your reputation through reliability and high customer service standards.

✓ Do they have the capacity?
  o To deliver shipments, claim free, and in a timely manner, the carrier must have the equipment and the manpower necessary to meet this objective in every lane they operate for you.

✓ Is the carrier financially stable?
  o Select a carrier that is going to be a viable partner. Are they willing to reinvest in their own business and maintain the type of quality equipment necessary to service your needs?

✓ Check their service area.
  o Ensure that the carrier you select provides service to the areas that you ship to.

✓ Get references.
  o Find businesses that are similar to your own that will serve as reference accounts for the carrier. Check the carrier’s quality of service metrics. This includes performance criteria such as on-time delivery record and damage-free delivery record. Keep in mind that the lowest price does not always yield the best value.

✓ Has the carrier been making technology investments?
  o Can your carrier provide real-time visibility of shipment status and advance warning of service failures that will allow you to respond to your customers?

✓ Do they have excellent billing control?
  o It is important that the carriers you select have quality billing processes because billing errors can be costly. Make sure that the carriers will be able to provide you with the supporting documentation you require.

✓ Is the carrier flexible?
  o It is a must that your carrier responds quickly to any "special" requests that you may have? If your equipment requirements change, will your carrier be able to handle it? If your customers need special handling, can your carrier accommodate them, too?

✓ Is the carrier cooperative in looking for solutions?
  o Make sure that your carrier shares a common commitment to resolving your shipping problems and are willing to find joint solutions to these problems. Furthermore, your carrier should be a partner that will work with you to improve your own operation and reduce costs wherever
possible. The issues that they are willing to address with you could cover a broad range of topics, including on-time pickup and delivery service, packaging issues, and appointments.

✓ Don't just shop price.
  o Don't fall into the trap of believing the lowest-cost carrier offers the best value. You'll find the best value by considering a combination of price and service quality.

**Evaluating a Carrier’s Performance**

Tracking a company’s performance is a very important part in trying to achieve a perfect network which everyone strives to achieve. Creating some form of performance measures is a good way to communicate with your carriers and identify and resolve any problems that need to be addressed. These “report cards” which may be based on point to help evaluate a carrier should be reviewed with carriers on a regular basis. Some examples of criteria measures are listed below but not be limited to the following:

1. Customer satisfaction (counts as triple points)
2. The number of damage claims (counts as double points)
3. The on-time rate (counts as double points)
4. The quality of the billing process (counts as one point)
5. The ease of the damage claim settlement process (counts as one point)
6. How well the carrier communicates with customers when shipments run late (counts as one point)

With these report cards, a point system can be put in place which lets carriers learn their own scores and also see how they rank against the other trucking firms.

**Importance of Safety**

Safety on our roadways is extremely important for our products and especially for safety of others. A company’s safety record can make all the difference in whether or not one’s product(s) arrives safely, on time, and in its original form and package. Because this is so important to companies, the Safety and Fitness Electronic Records (SAFER) System now makes it possible to offer this information free located at [www.safersys.org](http://www.safersys.org).

SAFER uses carrier information from existing government motor carrier safety data bases. Presently, it consists of interstate carrier data and several states’ intrastate data. Operational data such as inspections and crashes are generally only presented for interstate carriers, but plans are to include them for the intrastate carriers at a later time.
Process Before Calling Trucking Company

Before you call on companies, it is important to be prepared when talking with a representative. The following provides a list of information you will need to provide if you are serious about finding a carrier.

- **Have this information ready to give to possible trucking carrier**

1. **Business Information**
   a. Your Name
   b. Your Company and address
   c. Your Number
   d. Possible Reference

2. **Pick-Up Information**
   a. Pickup location (address)
   b. Pickup date
   c. Time(s) available for picked up at plant
   d. Contact information at facility

3. **Destination Information**
   a. Destination location (address)
   b. Delivery date
   c. Delivery time(s) available at location
   d. Destination contact information

4. **Billing Information**
   a. Know billing address and information

5. **Freight Information**
   a. Goods your shipping
   b. Temperature required for goods
   c. Quantity of goods (pallets, boxes, weight)
   d. Number and Size of pallet (if odd sized)(standard = 48 x 40inches)
   e. Is freight stackable? If so, what is the max, Stackable lbs.?
   f. Additional special information that possibly needs to be addressed.
   g. Who will provide labor for loading/unloading trailer?
   h. Any hazardous material being shipped? If yes, state appropriate harmful contents.

6. **Carrier’s Insurance Information**
   a. Make sure company is properly insured.

**Note:** Carriers will need to know information usually over 1 week prior to pick-up and delivery so they can prioritize routes and shipments. However, carriers are becoming more and more efficient in reducing lead time.
Process When Calling a New Carrier

Make sure before you start calling that you have your information organized and ready to take notes and provide information.

**Note:** Do not accept offer from first carrier that you talk with that is able to provide the service you need.

- **When first calling a carrier**
  
  1. State your name.
  2. State company working for.
  3. Indicate service(s) you are looking for (i.e. LTL refrigerated carrier that will provide a temp. b/w 26-28 degrees).
  4. Ask to speak with known representative or individual in sales department.

1. **After transferred to designated representative**
   
   a. Restate your name.
   b. Restate your company.
   c. State services you are looking and interested in dealing.

2. **Provide appropriate information to carrier**
   
   a. Pick-up Information
   b. Delivery Information
   c. Freight Information
   d. Business Information

3. **Ask for their company information**
   
   a. Service area.
   b. Possible financial records.
   c. References.
      
      i. Company’s w/common goal.
      ii. Check quality of service (on-time-delivery record and damage-free delivery record).
   d. Rates.
      
      i. Shipping rates for LTL, TL, and Breakpoint between TL and LTL.
   e. Billing requirements and address.

4. **Carrier Insurance Information**
   
   a. Make sure carrier is properly insured.
   b. Ask representative for insurer name and phone number.

5. **Closing**
   
   a. Thank the person for their time and let them know you’ll be in contact.
   b. Don’t forget to get representatives name and number he can be reached.

6. **Call References**
   
   a. Ask about relationship w/carrier.
b. Quality of Service (dependable, friendly working relationship, accurate billing, etc.)
c. Pro’s and Con’s of the company.

7. Call Carriers Insurance Company
   a. State who you are and you want to request a certificate of insurance for the company you are researching.

   *Make sure you receive a certificate from the insurance company and not the trucking company. Check expiration dates. Also note insurance agencies may possibly automatically send you the carriers’ new certificate of insurance when it expires in the future.

**Note:** This is not the exact order in which you have to go in but provides you with guidance on how to approach.
New Industry Regulations and Requirements

*New Driver Hours of Service*

Many things have changed in the motor carrier industry since 1939 when the original hours-of-service regulations were put into play for truck drivers. Our roads are better designed, constructed, and maintained in a nationwide network to provide greater mobility, accessibility, and safety for all highway users. Vehicles have been dramatically improved in terms of design, safety, comfort, efficiency, emissions, and technology. These factors, combined with the years of fatigue and sleep disorder research, have led to a revision of the hours-of-service regulations for drivers, one of the most important components of trucks operating on the highway. This chart shows a comparison from the old hours of service (HOS) with the new HOS that were implemented in January, 2004.

The new Hours-of-Service regulations are compared in the table below with the old Hours-of-Service regulations.

<table>
<thead>
<tr>
<th></th>
<th>Old Regulations</th>
<th>New Regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Driving Time</strong></td>
<td>10 Hours after 8 hours off-duty</td>
<td>11 Hours after 10 hours off-duty</td>
</tr>
<tr>
<td><strong>Total On-Duty Time</strong></td>
<td>15 non-consecutive hours</td>
<td>14 consecutive hours</td>
</tr>
<tr>
<td>* On-Duty Definition</td>
<td>Driving + On-Duty</td>
<td>Any time not in sleeper berth for a minimum of 2 hours</td>
</tr>
<tr>
<td><strong>Off-Duty Time</strong></td>
<td>8 consecutive hours</td>
<td>10 consecutive hours</td>
</tr>
<tr>
<td><strong>Total Time (Driving + On-Duty, Not Driving + Off Duty)</strong></td>
<td>23 hours</td>
<td>24 hours</td>
</tr>
<tr>
<td><strong>Cumulative On-Duty</strong></td>
<td>60 hours in 7 days -or- 70 hours in 8 days</td>
<td>60 hours in 7 days -or- 70 hours in 8 days</td>
</tr>
<tr>
<td><strong>Cumulative On-Duty “Restart” Period</strong></td>
<td>None</td>
<td>34 hour restart at any point in the drivers 7 or 8 day cycle a</td>
</tr>
</tbody>
</table>

- Why is this being implemented?
  - Growing concern for safety on the road for motorist.
- Moves towards a 24-hour work/rest day verses a 23-hour work/rest day with the old system.
- Increases the opportunity for restorative sleep by increasing the amount of off-duty time by two hours.

- **Who’s involved?**
  - Applies to all motor carriers and CMV drivers, except passenger carriers (ex. Charter bus, ext.)

- **What lies ahead?**
  - Unquestionably, the new hours of service regulations will have a negative impact on truck productivity. Estimates vary from 5% to 20% impact depending whom you talk to and the kind of operation being run. Some of the contributing factors are the increase in the new HOS changes, rising insurance, and the cost of new engine emissions.
  - Schneider forecasts that government mandates on new emissions standards for tractors will push costs up about $15,000 per tractor this coming year.
  - Driver turnover could become an even larger problem with the new HOS service regulations, if drivers are unhappy with the amount of miles they are turning, due to the limited on-duty hours, they will be more likely to leave for other jobs.
  - It’s estimated to cost between $3,000 and $9,000 to hire a new driver.

**Note:** This is an estimate that Schneider Trucking, Inc has forecasted.

### New FDA Requirements Going Into Effect

The United States Food and Drug Administration (FDA) have issued two interim final regulations, requiring registration of food facilities and prior notice of food imports to FDA. The interim final regulations affect most U.S. and foreign entities that manufacture, hold, process, distribute, grow, or import food products for the United States market.

“Food” is defined very broadly in these regulations to cover all human and animal food regulated by FDA, including food ingredients, dietary supplements, fresh produce, fish and seafood, alcoholic beverages, live animals to be processed into food, animal feed, and pet food. It does not include food contact substances, such as food packaging.

These interim regulations became effective **beginning December 12, 2003**. However, these interim regulations may change. FDA is accepting comments from interested persons for the following 75 days. In March 2004, the agency will reopen the comment period on the regulations for an additional 30 days and then issue final regulations. During this time, FDA intends to emphasize educating the industry about the
new requirements. FDA is not expected to begin strictly enforcing the prior notice and a registration regulation until after it has issued final regulations which is yet to be determined.

**Facility Registration Interim Final Regulations:**

The key features of the interim final registration regulations are:

- Any domestic or foreign facility that manufactures/processes, packs, or holds food for human or animal consumption in the United States is required to register the facility with the FDA by **December 12, 2003**, unless the facility is exempt.

- Facilities exempt from registration include: farms; retail food establishments whose principal business is selling food directly to consumers; restaurants; private residences; transport vehicles that hold food only in the usual course of business; nonprofit food establishments; fishing vessels not engaged in processing; and facilities regulated exclusively throughout the entire facility by the U.S. Department of Agriculture.

- Foreign facilities are exempt from registration if food from such facilities undergoes further manufacturing/processing or packaging (of more than a de minimis nature) at another foreign facility before it is exported to the U.S. This means that the last foreign facility that manufactures/processes or packages the food, and any subsequent foreign facility that packs or holds the food, must register.

- Foreign facilities required to register must also designate a “U.S. agent” who must live or maintain a place of business in the United States and be physically present in the United States.

- The owner, operator, or agent in charge of a covered facility (or an individual they authorize) must submit the registration to FDA.

- The new registration requirement requires registration of covered *facilities*, not companies. A single company may be required to register multiple facilities.
Additional Information:

American Motor Carrier Directory- The American Motor Carrier Directory is your guide to LTL carriers in the United States, Canada, and Mexico. This guide provides you with:

* 50 state cross-reference of major LTL carriers
* Over 1,000 carriers' terminals defined by ZIP CODE Routing Charts on state maps
* Details on the carrier's equipment, terminals, service centers, insurance coverage, region served, tariff participation and more
* Listing of US Foreign Trade Zones
* Glossary of trucking terms and references
* Listing of North American Trucking Associations
* And much more

**American Motor Carrier Directory, simply call a 1-888-215-6084

Websites

http://chrobinson.com – CH ROBINSON
  o 3PL BROKER
  o Temperature Controlled Logistics Report
    ➢ http://www.chrobinson.com/TCL.pdf
      ▪ A report study CH Robinson in collaboration with ISU provides publicly every year that shares relevant information and issues in movement of temperature products.

http://www.safersys.org - SAFER SYSTEM
  o Provides carrier safety data to the industry and the public online. The information about each carrier consists of carrier’s identification, size, commodity information, and safety record, including the safety rating (if any), a roadside out-of-service inspection summary, and crash information if available.

http://www.dmtb.com - DES MOINES TRUCK BROKERS
  o 3PL BROKER

http://www.logisticstoday.com - LOGISTICS TODAY
  o Provides up to date news and transportation industry news.

http://www.transporttopics.com - TRANSPORT TOPICS NEWS
  o Provides further transportation topics.
  o Must subscribe to access reports and articles. IT’S FREE!

http://www.fmcsa.dot.gov - FEDERAL MOTOR CARRIER SAFETY ASSOCIATION
  o Develops and enforces data-driven regulations that balance motor carrier (truck and bus companies) safety with industry efficiency.
  o Provides links to many related and subsidiary sites.
http://www.nlte.com/solutions/trade.asp - NATIONAL TRANSPORT EXCHANGE
  o Nation’s first transportation exchange, serving both shippers and carriers.
  o Electronic marketplace that allows shippers to bid out loads, and carriers to sell unused capacity on their trucks.

http://www.fda.gov – US FOOD AND DRUG ADMINISTRATION

http://www.inboundlogistics.com – INBOUND LOGISTICS
  o Online Inbound logistics magazine.
  o Provides transportation articles.

www.eia.doc.gov – ENERGY INFORMATION ADMINISTRATION
  o Provides policy-independent data, forecasts, and analyses on all energy sources to provide public understanding regarding energy and its interaction with the economy and the environment.
  o Provides many reports and national daily petroleum cost averages.
### LTL Trucking Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Phone #</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC MOTOR EXPRESS</td>
<td>413.736.0314</td>
</tr>
<tr>
<td>AMERICAN DISPATCH</td>
<td>412.281.7600</td>
</tr>
<tr>
<td>AMERICAN TRUCK LINES</td>
<td>800.275.6875</td>
</tr>
<tr>
<td>BIG RED LTL</td>
<td>908.475.3220</td>
</tr>
<tr>
<td>BUDRECK TRUCK LINES</td>
<td>708.496.0522</td>
</tr>
<tr>
<td>CANNONBALL EXPRESS</td>
<td>402.894.4882</td>
</tr>
<tr>
<td>CTW</td>
<td>978.977.0081</td>
</tr>
<tr>
<td>CATHY'S COMPANY</td>
<td>712.252.9668</td>
</tr>
<tr>
<td>CLANCY BROS</td>
<td>716.244.2565</td>
</tr>
<tr>
<td>COLONIAL CARTAGE</td>
<td>770.424.8811</td>
</tr>
<tr>
<td>BRENT REDMAN TRANSPORTATION</td>
<td>800.77.5342</td>
</tr>
<tr>
<td>CENTRAL REFRIDGERATED SERVICE</td>
<td>319.354.9904</td>
</tr>
<tr>
<td>CROSS TRUCKING</td>
<td>412.322.4466</td>
</tr>
<tr>
<td>DIVERSIFIED TRANSFER</td>
<td>800.755.5855</td>
</tr>
<tr>
<td>D AND B TRANSPORTATION</td>
<td>800.544.3715</td>
</tr>
<tr>
<td>D AND L TRANSPORTATION</td>
<td>501.524.8047</td>
</tr>
<tr>
<td>DESTINY TRANSPORTATION</td>
<td>773.247.4777</td>
</tr>
<tr>
<td>DIRECT DELIVERY</td>
<td>515.262.2129</td>
</tr>
<tr>
<td>EASTERN REFRIDGERATED</td>
<td>800.323.8953</td>
</tr>
<tr>
<td>ENTERPRISE TRUCK LINE</td>
<td>219.977.5200</td>
</tr>
<tr>
<td>ERB GROUP COMPANIES (canadian)</td>
<td>519.662.2710</td>
</tr>
<tr>
<td>FFE</td>
<td>800.569.9200</td>
</tr>
<tr>
<td>FOX TRANSPORTATION</td>
<td>570.668.4189</td>
</tr>
<tr>
<td>FARMERS DISTRIBUTING</td>
<td>435.628.0846</td>
</tr>
<tr>
<td>Franklin Specialty Transport</td>
<td>800.758.4567</td>
</tr>
<tr>
<td>FLEMING</td>
<td>800.441.9688</td>
</tr>
<tr>
<td>GEMINI TRAFFIC</td>
<td>800.613.1287</td>
</tr>
<tr>
<td>GREYLAWN FOODS</td>
<td>401.467.5400</td>
</tr>
<tr>
<td>GARY OLSON TRUCKING</td>
<td>209.667.4646</td>
</tr>
<tr>
<td>HOWELLS MOTOR</td>
<td>540.966.3200</td>
</tr>
<tr>
<td>HIGH ROCKIES TRANSPORTATION</td>
<td>303.287.2909</td>
</tr>
<tr>
<td>JOE RINI &amp; DAUGHTERS</td>
<td>440.357.6704</td>
</tr>
<tr>
<td>WAYNE KIMBER</td>
<td>507.454.7376</td>
</tr>
<tr>
<td>LTL SERVICES</td>
<td>507.665.8801</td>
</tr>
<tr>
<td>LENNOX TEMP CONTROLLED</td>
<td>800.552.8336</td>
</tr>
<tr>
<td>LTL SERVICE OF WISCONSIN</td>
<td>414.571.9988</td>
</tr>
<tr>
<td>Midway Distribution, Inc</td>
<td>800.886.9094</td>
</tr>
<tr>
<td>MIDWEST EXPRESS</td>
<td>303.465.1958</td>
</tr>
<tr>
<td>MANFREDI LOGISTICS</td>
<td>610.444.2270</td>
</tr>
<tr>
<td>Company</td>
<td>Phone Number</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>MAUST</td>
<td>800.826.2878</td>
</tr>
<tr>
<td>MAYE TRANSPORT</td>
<td>905.836.0057</td>
</tr>
<tr>
<td>MCST PREFERRED</td>
<td>732.650.0820</td>
</tr>
<tr>
<td>MILE HI EXPRESS</td>
<td>303.296.8465</td>
</tr>
<tr>
<td>NORTHWEST DAIRY FORWARD</td>
<td>763.434.6654</td>
</tr>
<tr>
<td>NORTHERN REFRIGERATED</td>
<td>800.692.5874</td>
</tr>
<tr>
<td>OBIEN AND NYE</td>
<td>440.349.1717</td>
</tr>
<tr>
<td>PDI</td>
<td>800.798.6331</td>
</tr>
<tr>
<td>PENNINSULA TRANSPORT</td>
<td>352.735.3553</td>
</tr>
<tr>
<td>QUICK FROZEN TRANSPORT</td>
<td>800.445.1789</td>
</tr>
<tr>
<td>RISTOW TRUCKING</td>
<td>800.328.6162</td>
</tr>
<tr>
<td>REFRIGERATED FOOD EXPRESS</td>
<td>508.587.4600</td>
</tr>
<tr>
<td>ROBERTS TRUCKING</td>
<td>920.872.2877</td>
</tr>
<tr>
<td>REFRIGERATED TRANSPORT</td>
<td>817.652.3344</td>
</tr>
<tr>
<td>SHENANDOAH MOTOR EXPRESS</td>
<td>937.526.5545</td>
</tr>
<tr>
<td>SSI TRANSPORTATION</td>
<td>425.775.1000</td>
</tr>
<tr>
<td>JL STEWART COMPANY</td>
<td>210.333.5600</td>
</tr>
<tr>
<td>SUNCO CARRIERS</td>
<td>663.688.1948</td>
</tr>
<tr>
<td>SEASIDE REFRIGERATED TRANS.</td>
<td>510.732.0472</td>
</tr>
<tr>
<td>STAR FREIGHT</td>
<td>800.441.9760</td>
</tr>
<tr>
<td>C SUMMERS</td>
<td>717.362.8117</td>
</tr>
<tr>
<td>TRIPLE A TRANSPORTATION</td>
<td>973.589.8153</td>
</tr>
<tr>
<td>TOTAL LOGISTICS CONTROL</td>
<td>815.562.2350</td>
</tr>
<tr>
<td>TRANSYSTEMS INC</td>
<td>407.886.3003</td>
</tr>
<tr>
<td>TAYLOR DISTRIBUTING</td>
<td>513.771.2956</td>
</tr>
<tr>
<td>VERMILLION BROS</td>
<td>319.524.1702</td>
</tr>
<tr>
<td>WEL CO</td>
<td>920.339.0110</td>
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<tr>
<td>WELLING TRUCK SERVICE</td>
<td>504.736.0965</td>
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<tr>
<td>WW TRUCKING COMPANY</td>
<td>813.659.0206</td>
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<tr>
<td>WALBON AND COMPANY</td>
<td>651.437.2011</td>
</tr>
<tr>
<td>W AND S TRUCKING</td>
<td>715.483.1626</td>
</tr>
<tr>
<td>WESTERN STAR TRANSPORTATION</td>
<td>800.867.9022</td>
</tr>
<tr>
<td>WITTE BROTHERS</td>
<td>636.928.0060</td>
</tr>
</tbody>
</table>
3PL BROKERS

**C.H. Robinson**
Steven R. Pfarr  
Manager  
Temperature Controlled Transportation  
Eden Prairie, MN  
Office: (952) 983-5776  
steven.pfarr@chrobinson.com

**Streamline Logistics**
Dale Lenz  
President  
Ames, IA  
Office: (515) 232-3066  
dale@streamline.com

**Des Moines Truck Brokers**
James R. DeMatteis CTB  
Vice President of Operations  
Norwalk, IA  
www.dmtb.com  
Phone: (515) 981-5115  
Fax: (515) 981-0923
## APPENDIX 1

### Bill of Lading – Short Form – Not Negotiable

**Date**

**Ship From**
- Name:
- Address:
- City/State/Zip:
- SID No.:

**Ship To**
- Name:
- Address:
- City/State/Zip:
- SID No.:

**Third Party Freight Charges Bill to:**
- Name:
- Address:
- City/State/Zip:

**Special Instructions:**
- Freight Charge Terms: (Freight charges are prepaid unless marked otherwise)
  - Prepaid
  - Collect
  - 3rd Party
- (check box): Master bill of lading with attached underlying b of lading.

**Customer Order Information**

<table>
<thead>
<tr>
<th>Customer Order No.</th>
<th>No. Packages</th>
<th>Weight</th>
<th>Pallet/Ship (circle one)</th>
<th>Additional Shipper Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td></td>
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<td>Y</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>

**Grand Total**

**Shipper Signature/Date**
- This is to certify that the above-named materials are properly classified, packaged, marked and labeled, and are in such condition for transportation according to the applicable regulations of the DOT.
- Trailer Loaded:
  - By shipper
  - By driver
- Freight Counted:
  - By shipper
  - By driver/pallets said to contain
  - By driver/pacages

**COD Amount:** $__________
- Free terms: Collect_
- Prepaid_
- Customer check acceptable_

**Note:** Liability limitation for loss or damage in this shipment may be applicable. See 49 USC § 14706(c)(1)(A) and (B).

**Carrier Information**

**Handling Unit**

**Package Unit**

**Commodity Description**
- Commodities requiring special or additional care or attention in handling or storing must be so instructed and packaged as to assure safe transportation with ordinary care. See Section 206 of HMR or 392 of FMCSA.

**LTL Only**

<table>
<thead>
<tr>
<th>Qty</th>
<th>Type</th>
<th>Qty</th>
<th>Type</th>
<th>Weight</th>
<th>HM (X)</th>
<th>Commodity Description</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>NMFC No.</th>
<th>Cls</th>
</tr>
</thead>
</table>

Where the rate is dependent on size, shippers are required to state specifically in writing the agreed or declared value of the property as follows. The agreed or declared value of the property is specifically stated by the carrier to be not exceeding ____________.

**Carrier Signature/Pickup Date**
- Carrier acknowledges receipt of packages and required placards. Carrier verifies emergency response information was made available, and carrier has the DOT emergency response placard. Property described above is received in good order, except as noted.

Courtesy: Streamline Logistics
# APPENDIX 2

![Certification of Liability Insurance](image)

**Certification of Liability Insurance**

**Client:** Lenz Insurance & Real Estate

**Address:** P.O. Box 69, Breda IA 51436

**Company:**
- **A:** Traverso
- **B:** MTI Insurance Company
- **C:** Registry Monitoring Ins. Serv
- **D:**

**Coverage Details:**
- **General Liability:**
  - **Total Liability:** $12,000,000
  - **Liability Limits:** $1,000,000
- **Auto Liability:**
  - **Combined Single Limit:** $5,000
  - **Liability Limits:** $1,000,000
- **Auto Comprehensive:**
  - **Combined Single Limit:** $5,000
  - **Liability Limits:** $1,000,000

**EXCLUSION LIMITATIONS:**

- **Cargo Limit:** $100,000

**Certificate Holder:** Manning

**Signature:**

---

*Courtesy: Streamline Logistics*
<table>
<thead>
<tr>
<th>FOB Terms</th>
<th>Payment of Freight Charges</th>
<th>Who Bears Freight Costs</th>
<th>Owns Goods in Transit</th>
<th>Who Files Claims (if any)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOB Origin, Freight Collect</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Title and control of goods passes to buyer when carrier signs for goods at the vendor's location. Carrier bills buyer directly.</td>
</tr>
<tr>
<td>FOB Origin, Freight Prepaid</td>
<td>Seller</td>
<td>Seller</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Title passes to buyer at vendor's dock. Seller pays and absorbs all freight costs.</td>
</tr>
<tr>
<td>FOB Origin, Freight Prepaid and charged back</td>
<td>Seller</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Title passes to buyer at vendor's dock. Seller pays shipping costs and adds the cost to their invoices.</td>
</tr>
<tr>
<td>FOB Destination, Freight collect</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Seller</td>
<td>Seller</td>
<td>Title passes to buyer when goods are delivered. Carrier bills buyer for the freight costs.</td>
</tr>
<tr>
<td>FOB Destination, freight prepaid</td>
<td>Seller</td>
<td>Seller</td>
<td>Seller</td>
<td>Seller</td>
<td>Title passes to buyer when goods are delivered. Seller pays and absorbs all freight costs.</td>
</tr>
<tr>
<td>FOB Destination, freight collect and allowed</td>
<td>Buyer</td>
<td>Seller</td>
<td>Seller</td>
<td>Seller</td>
<td>Title passes to the buyer when freight reaches its destination. Buyer will be invoiced by the carrier for the freight charges. Do not confuse with &quot;collect on delivery&quot; which would require a check for freight in-hand to receive the shipment.</td>
</tr>
</tbody>
</table>
APPENDIX E

FUEL SURCHARGE POLICY

This fuel surcharge policy shall apply to all Shipments that Shipper tenders Carrier under the terms of this Agreement.

Fuel adjustments will be based on the scale set out below. Adjustments will be determined each Monday (Tuesday will be used if Monday is a holiday) based on the U.S. Department of Energy (“DOE”) diesel hotline (202) 586-6966, national average. Adjustments will be applied to all shipment beginning the following Monday. For every movement of $0.06 (six cents) per gallon in the DOE fuel index, the fuel surcharge will be changed upwards or downwards by $0.01 (one cent) per mile.

<table>
<thead>
<tr>
<th>Weekly Fuel Price per Gallon (Dollars and Cents)</th>
<th>Surcharge (Per Mile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuing at $0.06 decrements</td>
<td>Continuing at $0.01 decrements</td>
</tr>
<tr>
<td>0.760 to 0.819</td>
<td>-6 cents</td>
</tr>
<tr>
<td>0.820 to 0.879</td>
<td>-5 cents</td>
</tr>
<tr>
<td>0.880 to 0.939</td>
<td>-4 cents</td>
</tr>
<tr>
<td>0.940 to 0.999</td>
<td>-3 cents</td>
</tr>
<tr>
<td>1.000 to 1.059</td>
<td>-2 cents</td>
</tr>
<tr>
<td>1.060 to 1.119</td>
<td>-1 cents</td>
</tr>
<tr>
<td>1.120 to 1.179</td>
<td>0 cents</td>
</tr>
<tr>
<td>1.180 to 1.239</td>
<td>0 cents</td>
</tr>
<tr>
<td>1.240 to 1.299</td>
<td>+1 cents</td>
</tr>
<tr>
<td>1.300 to 1.359</td>
<td>+2 cents</td>
</tr>
<tr>
<td>1.360 to 1.419</td>
<td>+3 cents</td>
</tr>
<tr>
<td>1.420 to 1.479</td>
<td>+4 cents</td>
</tr>
<tr>
<td>1.480 to 1.539</td>
<td>+5 cents</td>
</tr>
<tr>
<td>1.540 to 1.599</td>
<td>+6 cents</td>
</tr>
<tr>
<td>1.600 to 1.659</td>
<td>+7 cents</td>
</tr>
<tr>
<td>1.660 to 1.719</td>
<td>+8 cents</td>
</tr>
<tr>
<td>1.720 to 1.779</td>
<td>+9 cents</td>
</tr>
<tr>
<td>Continuing at $0.06 increments</td>
<td>Continuing at $0.01 increments</td>
</tr>
</tbody>
</table>

Fuel surcharges must be shown as a separate line item on Carrier’s freight invoice. It is the Carrier’s responsibility to reflect this surcharge on freight bills. Shipper will not add fuel surcharge to Carrier invoices and will not be responsible for payment of any fuel surcharge that is not included in Carrier’s freight invoice at the time that it is issued to Shipper.

Agreed to:
(Shipper)  

(Carrier)  

By:

Signature

Print Name