



Industry Update on all the topics concerning freight logistics, transportation and some fun things too...

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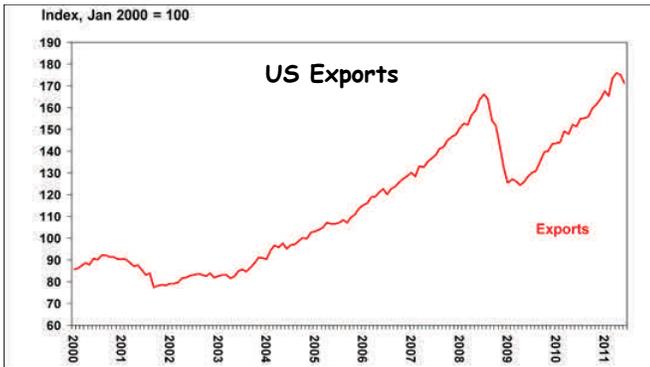
February/March 2012

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US Exporter's Tough Sell

President Obama's call for a doubling of exports by U.S. companies over the next 5 years holds enormous potential for the U.S. economy.



handle the risk with a credit insurer. With credit insurance of a customer defaults, you still get paid. Nearly half of all European companies use

More than 95 % of the world's population and 75% of the world's spending power is now located outside the United States. 35% of the world's consumer spending occurs in developing countries. Every \$1 billion in additional exports means 6,000 new jobs for American workers, according to the U.S.

Commerce Department. It's a buyer's market. Credit terms play an important role in the purchasing process overseas. What we might consider excessive or overly generous is normal in other markets. 120 days is standard in Italy or Spain. Longer terms aren't unheard of in Africa or Asia. In the U.S. the terms typically are 30-60 days. They

credit insurance. Without having to worry about the credit risk, they can deal aggressively and tell customers exactly what they want to hear. Foreign markets offer US business tremendous opportunity, but a superior product at a lower price isn't enough. US companies wishing to compete overseas must be prepared to compete aggressively and offer generous terms.

FMCSA Issues Final Hours-of-Service Rules

As expected, the final rule for truck drivers' hours-of-service (HOS) was issued by the Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) on December 22.



The final HOS rule is comprised of the following, according to

FMCSA.

The Maximum number of hours a truck driver can work within a week has been reduced by 12 hours from 82 to 70. Truck drivers cannot drive after working eight hours (Cont. on pg. 4)

"Courage is not the absence of fear, but rather the judgment that something else is more important than fear."

—Ambrose Redmoon

Mission Statement

"We will be the staff our clients require to reach goals and achieve their vision."



Focus On The Client— CMA Dishmachines



GWX-200

CMA produces both High-temperature and Low-temperature chemical sanitizing Dishmachines, Glasswashers and Warewashing equipment.

In the early 1970's, "CMA Dishmachines" began actively pioneering its' concepts in full service Glass and Warewashing equipment. In the beginning, CMA designed and manufactured dishwashers under the trademark name of "Energy Miser", which provided "Full Service Warewashing" to the foodservice industry through a Network of Dealers and Distributors. CMA, from humble beginnings, started in a

small building with 2500 square feet of manufacturing area in Westminster, California. Today CMA builds warewashing equipment in 75,000 square feet of manufacturing area! CMA has always strived to be at the leading edge of the industry, by offering fantastic service, creative ideas, innovative designs and quality equipment; and also by always listening to their customers' needs and suggestions. CMA produces both High-temperature

and Low-temperature chemical sanitizing Dishmachines, Glasswashers and Warewashing equipment, in their factory located in Garden Grove, California. CMA's Mission is to provide customers with the highest quality products and service, while always delivering more than is promised and more than the customer expects. CMA is committed to the design, engineering and manufacturing of top quality equipment.

A Special Thank You...

You know, I have worked in this business for about 8 years and have never come across 3 more fun people to deal with than Laura, Kim, and Angela. So, that makes my job more fun. Besides being fun to work with, you guys know your stuff and are on the ball. So, whoever owns the place should know how lucky he has to have you three.

Chris Moshinskie — Kerns Trucking

"Beliefs have the power to create and the power to destroy. Human beings have the awesome ability to take any experience of their lives and create a meaning that disempowers them or one that can literally save their lives."

—Tony Robbins

Intermodal Transportation

As more truckloads are converted to intermodal containers loads, trucking companies aren't rushing to cut rates to keep that freight on the highway. Instead, they're pushing further into the intermodal business while shortening their own length of haul to best use their most expensive assets: drivers and trucks.

The classic example is J.B. Hunt Transport



directly or as part of a third-party logistics offering, along with many midsize carriers.

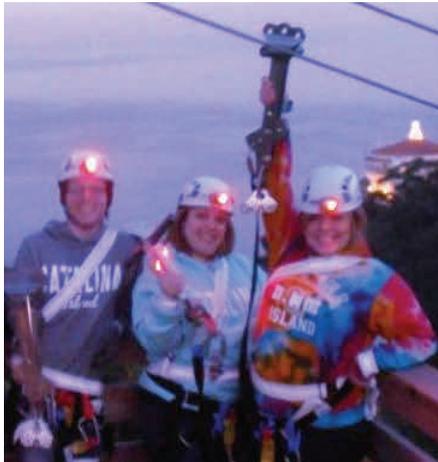
Truckload carriers that once had an average length of haul of 1,000 to 1,200 miles now target 400 to 600 miles as they pursue more profitable regional freight. Increasingly, the economic dividing line between a truckload haul and an intermodal move isn't measured in miles but as what a single driver can do in one day. Services, which since 1989 has transformed from a traditional truckload carrier into a company that made 60% of its revenue from intermodal freight in the 3rd quarter. But almost all of the largest U.S. truckload carriers today offer intermodal services either

Me, Myself & I— Kim Runkle

I was born in southern California and grew up a military brat, the oldest of 6. Consequently, I have lived across pretty much most of the southern United States. Once I graduated high school in a small southern town in Florida, I set my sites on Arizona.

It is in Arizona that my original goal to be General Manager of a hotel was fulfilled at a young age and once achieved I found that it just wasn't very satisfying, so I opted of something else. I later was given an opportunity to become an Office Manager of a community outreach company and found this was right up my alley. I was helping the community, I wore many different hats,

and I loved the small business environment. Little did I know that this company would have prepared me for what was in store next.



During this time my grandfather passed on and my grandmother had been diagnosed with early Alzheimer's. She was relocated to California and I saw opportunity knocking

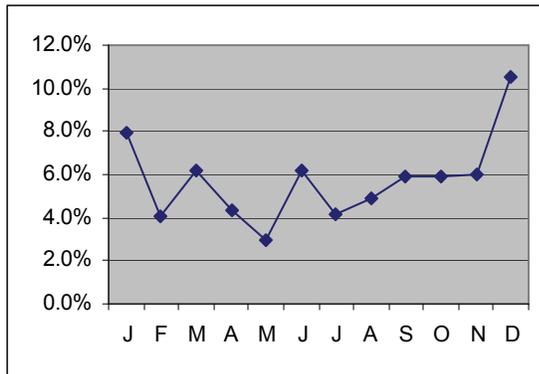
once again. I answered an employment ad and the rest is FMI history.

I love my job and all of the people who I have been able to adopt as my family! My daughter, who just turned 18, will be graduating High School this year is a daily inspiration to me. My son, who just turned 17, has just joined the Army Reserves which I cannot be any more proud. I have devoted my life to them and they have made, me a much better person! I have two dogs Wednesday (a pug mix) and Sassy (a pug). I am so happy that all my life's paths have lead me back to CA, and to a company as wonderful and fulfilling as FMI.

Trucking Growth Hits 13-Year High

Anyone waiting for a recovery in the U.S. trucking industry can stop waiting. Truck tonnage last year saw the biggest spike since 1998, according to the American Trucking Association's For-Hire Truck Tonnage Index. The strong expansion accelerated late in the year, reflecting the growing strength of U.S. manufacturing and domestic freight. Tonnage rose 5.9% overall in 2011, and

Year-over-year % change in seasonally adjusted for-hire truck tonnage index.



increased 6.8% in December from November and 10.5% year-over-year. The December gain over the previous year was the strongest year-over-year

improvement since the second term of the Clinton Administration. The healthy traffic in December points to last-minute inventory restocking as holiday shopping and shipping patterns moved closer to Christmas Day.

Orders for new rigs also jumped in December. The 47% increase year-over-year continued a positive trend that began in August.

Fun Facts About March

- Daylight savings was introduced in March in 1918.
- St. Patrick's Day is March 17. It is believed that St. Patrick died on March 17, 461 AD.
- St. Patrick was not Irish, he was Scottish.
- March is named for Mars, the Roman god of war.
- March was the first month of the year until 1752. Since then we have begun the calendar on January 1st.
- The birth stone for March is Aquamarine.
- The birth flower for March is the daffodil, which symbolizes chivalry, respect, modesty and faithfulness.
- March is American Red Cross month, Music in Our Schools month, National Athletic Training month, National Craft month, National Frozen Foods month, National Women's History month, National Peanut month, National Nutrition month & Youth Art month.



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If you have any articles you'd like to submit, please contact Kim Runkle.

FMI Challenge Winners

Answer:

1. The letter "E"
2. A river

Congratulations

Kecia Niederhauser—Javo Beverage Company, Inc., Debbie Todd—The ICEE Company, Debbie Stutts—Spectrum Chemicals & Laboratory Products, Dan Miller—Physicians Formula, Kyle Peter—ALPLA Iowa City, Prem Jain—Spectrum Chemicals & Laboratory Products, Janet Hoffman—Haldeman, Inc.

Donald J. Schneider, 76



Donald J. Schneider was hailed as a visionary who helped build Schneider National into one of the country's largest truckload operators in the era of deregulation, setting a template for others

to follow. The former president, CEO and chairman of Green Bay, Wis.-based Schneider died after a long battle with Alzheimer's. He was 76.

FMCSA Issues Final HOS Rules (cont.)

without first taking a break of at least 30-minutes and drivers can take the 30-minute break whenever they need rest during the eight-hour window.

The final rules retains the current 11-hour daily driving limit (the FMCSA was considering lowering it to 10 hours) and will continue to conduct data analysis and research to further

examine any risks associated with the 11 hours of driving time.

Truckers who maximize their weekly work hours will take at least two nights rest when their 24-hour body clock demands sleep the most—from 1:00 a.m. to 5:00 a.m. This rest requirement is part of the rule's "34-hour restart" provision that allows drivers to restart the clock on their work week by tak-

ing at least 34 consecutive hours off-duty.

Carriers that allow drivers to exceed the 11-hour driving limit by three or more hours could be fined \$11,000 per offense, and drivers could face civil penalties of up to \$2,750 for each offense.

Happy Anniversary FMI Employees



- Milagros Vega, Auditor, 14 years
- Larry Reyes, Accounting Coordinator, 12 years
- Dwayne Phillips, Director of Technology, 11 years
- Leobardo Santamaria, Account Dispatcher, 6 Years

February and March Birthdays

- Dwayne Phillips, 02/02
- James Duwalt, 02/05
- Kim Runkle, 02/11



- Kris Lundberg, 02/17
- Dennis Rihn, 03/23

Update Your Web Page

We are happy to introduce Vera Rizakulova and her company, Designer Studios in San Ysidro, CA. She does excellent work in upgrading or designing web pages on either a one time project or on going maintenance. She can also help with marketing materials. I know her first hand and can vouch for her capability if you need such. Contact her at vera@designerstudiosstore.com and check out her work on one client: www.altosystems.com

Take the FMI Challenge

Solve the two riddles:

There are three switches downstairs. Each corresponds to one of the three light bulbs in the attic. You can turn the switches on and off and leave them in any position. How would you identify which switch corresponds to which light bulb if you are only allowed one trip upstairs?

Fax or email answers and address to 714-632-7221 or krunkle@freightmgmt.com to collect your prize. Winners will be announced monthly.