



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

Volume 13, Issue 6

Dec. 2015/ Jan. 2016

Inside this issue:

Trucking Regulations	1
Driving Changes at the Border	1
Focus on The Client — Decore-Ative Specialties	2
Con-Way Freight's New Direction	2
US Truck Capacity Hits Pre-Recession Levels	2
Me, Myself & I— Kristan Peterson	3
Truckers Finding It Costlier at Ports	3
Fun Winter Facts	3
Happy Anniversary FMI Employees	4
December & January Birthdays	4
FMI Challenge Winners	4
Take the FMI Challenge	4
A Night in Monte Carlo— A FMI Christmas Story	4

Trucking Regulations

Ever since the Motor Carrier Act of 1935 gave the Interstate Commerce Commission (ICC) the power to economically regulate truckers, the trucking industry has been steeped in red tape. The Motor Carrier Act of 1980 deregulated interstate trucking, helping to create today's nimble and efficient industry. However that act only covered economic regulation—not safety, truck emission, driver rules, background checks, and a host of other regulatory areas. This industry has evolved from the days of economic regulation to what today could be considered social regulation.

There are rules that cover everything from the number of hours a truck driver must rest to the amount of pollution a Class 8 engine can emit. The laundry list of regulations coming down the pipeline can be overwhelming for small carriers that don't



have a compliance infrastructure in place. These rules are exacerbating the current driver shortage, making equipment costs significantly more expensive, and increasing the financial risks that smaller fleets are facing. Hours of Service has

the potential to create the most damage in terms of trucking productivity and business. The Obama administration has introduced the goal of increasing truck mileage to as high as 10 miles per gallon (mpg). In the meantime, there's a proposal to further limit truck emissions. The CSA is also increasing pressure on carriers to jettison drivers who produce unsafe ratings by a methodology that ATA say is flawed. However, not all of the rules are opposed by the large trucking companies. Requiring tamper-proof electronic logging devices to be installed on trucks in 2017 is expected to add veracity and efficiency to the system.

Driving Change at the Border

The dynamics of cross-border trucking between the U.S. and Mexico are changing. More U.S.-bound shipments are being sent to transloading facilities at the border before heading north. That opens new opportunities for U.S. companies importing goods from Mexico and may

actually reduce cross-border transportation costs and speed shipments. Deconsolidating and reloading shipments at a cross-dock is a departure from the standard practice of swapping tractors at the border and hauling the shipment directly to its destination. The growing

imbalance in truck capacity along the U.S.-Mexican border is driving the trend. More loads move north than go south and, as a result, Mexican carriers are making up the difference and shifting to a cross-dock model. That's part of the reason why peak season less congested this year.

Mission Statement

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





Since 1965 Decore-ative Specialties has added many new lines of products and styles, they have increased their product offering to over 250 door styles, custom-sized, in any available wood species, RTF, laminate and veneer, as well as almost any custom door design imaginable.

Focus On The Client — Decore-ative Specialties

In 1965, standard-sized cabinets were all the rage and the average turnaround time on components was weeks—not days. It was against this backdrop that Jack Lansford Sr. made the pivotal decision to start a custom wood door factory to service small cabinetmakers in Southern California. Decore-ative Specialties was founded by Jack Lansford Sr., with a focus on customer needs and a desire to achieve the highest possible quality and service in



JACK LANSFORD JR. AND ERIC LANSFORD

the industry. With that same passion, his sons push forward today, listening to their valued customers and adjusting their business practices to provide solu-

tions in an ever-changing industry. Part of the change has been an increased commitment to take care of the environment and tightening air regulations. Because of this Decore-ative Specialties now offers Water-based Finishes. They are excited to provide a product offering that is environmentally friendly for both installers and end users. For more information visit: www.decore.com

A Special thanks:

Freight Management would like to thank everyone who joined and supported our "Pink-O-Ween" fundraiser for the cure event. Proceeds went to Avon's walk to end breast cancer. If you would like more information or to make a donation please email Cindy Saucedo: csaucedo@freightmgmt.com



Together we will fight to find a cure!

Con-way Freight's New Direction

Con-way Freight, the second-largest U.S. LTL carrier will look more like its largest competitor, FedEx Freight after its acquisition by XPO Logistics. It will be offering both premium or priority and economy services. XPO Chairman and CEO Bradley S. Jacobs said the company would be re-configured to handle next-day and two-day service and an economy service. An economy-style service would greatly extend the carrier's reach into the \$35 billion

LTL market. The Con-way name will be retired after 32 years, and all of the company's subsidiaries, including Menlo Logistics and Conway Truckload, will



be rebranded as XPO Logistics. Menlo Logistics will also augment XPO's existing contract logistics business, especially in

Europe, where the logistics company is expanding its seven-country logistics and distribution network. The future of Con-way Truckload is less clear, though reports that it may be sold are premature. Jacobs said he already has received three enquiries about purchasing the truckload unit. As a public company, XPO will review and evaluate offers, but selling Con-Way Truckload is not high on XPO's to-do list.

US Truck Capacity Hits Pre-Recession Levels

Trucking companies may need drivers, but there is no shortage of trucks in the U.S. An influx of new Class 8 tractors pushed the JOC Truckload Capacity Index up

1.3 percentage points to 90.4 in the third quarter. This is the first index reading above 90 since the end of 2008. The number of tractors operated by

the truckload carriers in the JOC index group rose 9.4% year-over-year, with all carriers in the group increasing their actual truck counts.

Me, Myself & I— Kristan Peterson

Sweet Sixteen...I cannot believe it has been 16 years. I have been employed at FMI for 16 years and looking back it doesn't seem that long. When I started I was a mother of 3. Andrew was 6, Sean was 2 and Megan was only 5 months old. My husband, Dean, was a full-time student at Golden West College and the trucking company I had worked for the last 10 years filed bankruptcy. I was glad Bob took a chance on me. Presently I am in such a different place...my husband graduated from Cal State Long Beach and has been working for the DCAA. Andrew is now in

the Army, married and just welcomed my grandson AJ to the world. Sean is a Fresh-



man in College and wants to be a Phycologist. Finally, my youngest Megan is a junior in High School and is looking at her options but dreams of going to the Coast Guard Academy. I am a mom, Nana, and a Finance Coordinator.

And the future...looks good. I look forward to the visits with Andrew and his family as they currently live in El Paso, TX. I look forward to several more graduations...Sean from College and Megan from High School and College. As well as future trips to the East Coast to support Megan's dream of the Coast Guard Academy in Connecticut. I look forward to biking, kayaking and traveling with my husband and having more time for my hobbies, like sewing. I love working for FMI. It truly is like a family and it has a Past, Present, and Future...I like to look back at all that I have learned, I like where I am... and I am looking forward to the Future.

Truckers Finding it Costlier At Ports

Gridlock at the twin ports of Long Beach and Los Angeles made big news in 2014 but dropped off the radar after the resolution of the dock-workers labor dispute in March. According to a recent report by Nicole Moler and Jamil Harness, volume and truck turn times at the



ports remain high, nearly doubling the cost of drayage. Drayage is the transporting of goods over a short distance,

often as part of a longer overall move. According to the report 70 percent of the containers are headed towards the Inland Empire. The study also shows a 47

percent rise in average inbound rates from 2014 to July from \$429.16 to \$634.34. The Banning/Beaumont submarket showed

the highest jump, 56 percent, \$490 to \$767.69. Figures from the Harbor Trucking Association showed average turn times at 90 minutes in July, up from 62 minutes in October 2013. According to the report, prior to the lingering congestion, drayage drivers could make two to three trips to the Inland Empire per day (depending on the final destination). Now those drivers struggle to make two trips a day. Drivers are passing costs to clients and assessing surcharges from \$60 to \$80 an hour.

Fun Winter Facts

1. Earth is actually closest to the sun in December, even though winter solstice is the shortest day of the year.
2. Every winter, at least one septillion (that's 1 followed by 24 zeros) snow crystals fall from the sky.
3. All snowflakes have 6 sides.
4. The average snowflake falls at about 3mph.
5. There is an average of 105 snow-producing storms in the United States each year.
6. A single snowstorm can drop 39 million tons of snow.
7. The most snow ever recorded in 24 hours in the United States was at Silver Lake Colorado, in 1921 they received 76 inches. Coming in second is Georgetown, Colorado, on December 4, 1913, they received 63 inches.



Freight Management, Inc.

2900 E. La Palma Ave Anaheim, CA 92806
Phone: 714-632-1440
Fax: 714-632-7366
Email: krunkle@freightmgmt.com

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

Happy Anniversary FMI Employees

John "Jack" Farley — 17 years
Robert Walters — 29 years
Cynthia Saucedo — 18 years
Heidi Calamusa — 16 years
James Duwalt — 13 years
Vianey Hernandez — 8 years
Samantha Porter — 4 years

Robert Foerster — 2 years
Adriana Lira — 2 years



FMI Challenge Winners

Answer:

White, they were at the North Pole.

Congratulations:

- Debbie French - Freight Management
- Kenny Debes - Estes Express
- Prem Jain - Spectrum Chemical
- John Pace - Camelbak Products
- Biren Gandhi - IPS Corporation

December and January Birthdays

Angela Shackford — 12/4
Adriana Lira — 12/8
Robert Foerster—12/15



Heidi Calamusa—12/31
Cynthia Saucedo—1/11
Yvette Garcia—1/19

A Night in Monte Carlo

Twas a night in Monte Carlo, what a star-studded event. With a visit from a superhero and no, I'm not talking about Clark Kent. Elsa came to visit along with Santa Claus too and the children laughed and played while the adults played a hand or two. With a ding, ding, ding the silence quickly grew. A toast to all a Merry Christmas and a Happy New year.

Take the FMI Challenge

I am there once in a minute, twice in a moment and never in a thousand years. Who am I?

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



Freight Management, Inc.

2900 E. La Palma Ave.
Anaheim, CA 92806