



12487 Plaza Drive | Cleveland, OH 44130 | 216.267.2000 | ctlogistics.com

TRUCKING: Capacity Constraints

From TransportTopics

The economy continued to expand modestly from late August to early October as the transportation services sector generally grew, the Federal Reserve said. A few of the 12 districts reported capacity constraints in railroads and trucking, the Fed said in its Beige Book report released Oct. 15. In Minneapolis, capacity constraints in freight rail increased demand for trucking services and led to increased stockpiles at some factories. Atlanta reported strong demand in trucking freight and increased railroad shipments, and a trucking firm in the Kansas City area cited supply chain disruptions and new regulations as having slowed freight traffic. In Cleveland, contacts from trucking and railroads told the regional Fed that insufficient capacity is a major issue and there is concern about stress on the freight-transport system from an expected record-breaking grain harvest. Richmond reported softness in exports due to rail and trucking issues, including truck-driver shortages and slowdowns from bottlenecks in rail service. The issues have delayed movement of inland cargo to the ports. Richmond, Minneapolis, and Kansas City noted trouble in filling openings for truck drivers. The Fed releases its Beige Book report eight times a year. The report, which covered Aug. 22-Oct. 6, was prepared by the Federal Reserve Bank of Minneapolis.

RAIL: CSX & Canadian Pacific Merger?

From ABC News

Oct 15th: CSX railroad's top executive said regulators are likely to be reluctant about consolidation among the major rail players because they remain concerned about service. The idea of railroad mergers is on investors' minds this week because of several reports that CSX rejected a merger offer from Canadian Pacific railroad Oct 8th. Both railroads have declined to comment. CSX CEO Michael Ward said Wednesday the Surface Transportation Board would likely take a cautious approach to any railroad consolidation deals because there are only six Class I railroads in the U.S. and Canada. "The STB is very concerned about the service levels being produced by the industry with this surge of business. And it even asked for new reports on a weekly basis to monitor that," Ward said. "So I might speculate they would be very cautious about this." Delays in rail shipments, particularly grain in the northern Great Plains, have been common over the past year as the industry struggled to deal with a bitterly cold winter and keep up with booming demand for oil shipments and a record harvest. Besides CSX, the other large railroads are Norfolk Southern, Union Pacific, BNSF, Canadian Pacific and Canadian National. The last time a major rail merger was proposed between BNSF and Canadian National in 1999, the deal fell apart after regulators imposed a 15-month moratorium and other restrictions. Ward said CSX is focused on improving its operations.

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CTS FreightRater User Group Conference in Chicago, IL. Thank you to everyone who came!

CT at CSCMP Conference

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Thank you to everyone who visited our booth at the CSCMP Conference this year in San Antonio, TX from Sept 21st through 23rd.

CT PARCEL Forum

**PARCEL
FORUM 14**

Thank you to everyone we met at the PARCEL Forum in Dallas, TX this year from September 29th through October 1st.

CT at ATA Conference

**ATA
AMERICAN
TRUCKING
ASSOCIATIONS**

Thank you to everyone who stopped by our booth at the ATA Conference this year in San Diego, CA from Oct 5th through 7th.

QUICK SNIP-ITS



2014 Logistics

Performance Index

The efficiency of supply chains per country.

-From *The World Bank*

Country	Rank	Score
Germany	1	4.12
Netherlands	2	4.05
Belgium	3	4.04
UK	4	4.01
Singapore	5	4.00
Sweden	6	3.96
Norway	7	3.96
Luxembourg	8	3.95
US	9	3.92
Japan	10	3.91

Scale for scores are from 1 to 5, with 5 being perfect.

At least 20 million containers are currently traveling across the oceans.

Compared to the energy expended moving goods by plane or truck, shipping is far less damaging in terms of greenhouse gases released. Sending a container from London, England to Los Angeles, California emits fewer greenhouse gases than the truck that next takes that same container from Los Angeles, CA to Sacramento, CA.

However, the shipping industry is so big that, if you added shipping to the list of the world's most polluting countries, it would come in sixth place. So it's not exactly environmentally beneficial.

OCEAN: Recovering Freight Rates

From World Maritime News

The oversupply in the freight market is still clearly felt as Panamax freight rates drag along, the Baltic and International Maritime Council (BIMCO) said in a review. "Fortunately, the erratic movements have now been mostly upward since the bottom-out on 27 June at USD 3,362 per day. Since then, freight rates have more than doubled to USD 7,101 per day, but this is still very different from delivering healthy earnings to owners and operators as the present ones are barely covering OPEX," the association said.

Supramaxes and Handysizes live a less volatile life than their larger peers do, and the rebound is clearly felt and seen, moving from the lower end of BIMCO's forecast freight rate interval to the top for Handysizes, with Supramaxes still firming to close the gap completely.

According to BIMCO, the only disappointment were Capesize freight rates that only reached USD 17,670 per day on September 10 and have since then slid down to USD 11,000 per day.

Speaking of the outlook BIMCO said that the level of Capesize TC average rates will rise from the current level below the USD 10,000 per day mark. Once the belated, but still anticipated, rush of Brazilian iron ore spot cargoes enter the market, freight rates should be volatile around USD 8,000-23,000 per day. Panamax TC average rates will remain around USD 5,000-10,000 per day.

For the Supramax segment, BIMCO forecasts freight rates in the USD 8,500-13,500 per day range, whereas Handysize freight rates are expected around USD 6,500-9,500 per day.

TranSaverSM: Save on Shipping with our Co-op Program

From CT Logistics

CT TranSaverSM is designed to allow CT clients to take advantage of the same, competitive motor and air carrier pricing larger shippers receive.

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To participate in this exclusive premium discount carrier program, let CT's TranSaverSM team perform a free LTL analysis and comparison.

Call our Professional Services department at 216-267-2000, ext. 2222 with any questions or email us at ProServices@ctlogistics.com to arrange an actual side by side analysis and study of your LTL shipments.

ON THE ROAD AGAIN



Interstate Highways

East-west interstate route numbers end in an even number. North-south routes end in an odd number.

3,020 miles

I-90 is the longest interstate highway. It connects Seattle with Boston.

2907 miles

The second longest is I-80, which goes between New York City and San Francisco.

0.11 miles

The shortest Interstate route segment is I-95 in the District of Columbia which is 0.11 mile long.

Alaska

The only state without any Interstate routes.

Hawaii

There are three Interstates in Hawaii (H-1, H-2, and H-3).

1214

The number of rest areas along the interstate system.

3 Million

Average number of tons of concrete in a mile of Interstate.

AIR FREIGHT: New Louisiana Hanger

From Air Cargo World

This month, Chennault International Airport (CWF) in Lake Charles, La., celebrated the opening of AAR Corp.'s new 118,000-square-foot MRO facility. The \$21.5 million high-bay structure, known as Hangar H, is large enough to provide maintenance, repairs and overhaul capacity to various wide-body aircraft, including Boeing 747s, 767s and 777s, as well as Airbus A330s and A340s. AAR, an aerospace and defense contractor, said the new facility is already "booked up" for the next six years due to high demand for MRO services in North America.

Air Freight Safety News:

Netherlands-based Trip and Co. and Newtex Industries have launched FireCape, a completely fire-resistant cargo cover that is designed to contain not only fire associated with the transport of palletized cargo but also smoke and water. FireCape is made of Newtex's Z-Block coated fabric, which can tolerate temperatures as high as 1,800°F (980°C). - See more at: <http://www.aircargoworld.com/Air-Cargo-World-News/2014/10/also-news/6830#sthash.dlGJv1dR.dpuf>

TRUCKING: Highway Bill: 'Nowhere to Go But Up'

From Fleet Management

Undaunted by the conventional political view that Congress will accomplish nothing in the upcoming lame duck session, Sen. Tom Carper, insists there is a chance to pass and fund a six-year highway program. The November mid-term election will reset the state of play in Congress. Republicans are expected to retain control of the House and pollsters say there's a better than even chance that the GOP will win a majority of the Senate. But Carper is focused on the chance that there will be a balance of Senators who will support action on a long-term bill. After the election there will be eight or nine Senators who won't run again, plus a similar number whose terms are up in 2016 who also won't run. On top of that will be another eight or nine up for election in 2018 in a similar status. "So what you have here is roughly a quarter of the U.S. Senate who are free agents," he said. "They may be willing to do the right thing because they don't have to worry about repercussions from the electorate."

The right thing, Carper says, is to pass a multi-year highway bill funded by an increase in federal fuel taxes. "We're not going away," he said, referencing a bipartisan cadre of Senators who have been agitating for a highway bill this year. The current highway program is operating under a short-term bill that expires May 2015, but if Congress waits until then it is likely to punt as it has so many times in the past, Carper said. "The best way is not to waste the opportunity (of the lame duck session)."

The flip side of Carper's analysis is that the lame duck Congress will default to the easier choice of avoiding a vote on raising transportation taxes. Leslie Blakey, executive director of the Coalition for America's Gateways and Trade Corridors, said it is likely that Congress will simply pass another short-term spending resolution and go home. But she agrees with Carper that it will be difficult to get the job done in May. The election will bring new members to Congress who will have a hard time getting up to speed on transportation issues by then, she said. A number of former Transportation Secretaries on hand at the conference were not optimistic that Congress is prepared to take on transportation funding.

Jim Burnley, who served as DOT Secretary during the Reagan Administration, said the country has not yet had the debate that is necessary. "We will have to have a fundamental debate in a more serious way than we have," he said. "The Highway Trust Fund has collapsed ... and we are at a point where issues have to be decided." He and Norman Mineta, who led the Transportation Department in the George W. Bush administration, said that fuel taxes will no longer work as a funding mechanism for surface transportation. Burnley said Republicans in the House are overwhelmingly opposed to raising fuel taxes and there is no political consensus on an alternative. The core of the problem is that there's always someone to shoot down suggested solutions, Mineta said. "There are people in Congress opposed to spending but who can't see difference between spending for investment and spending for consumption," he said. "Step one is to get all of the key players in Congress to start participating in the discussion," he said. "We have nowhere to go but up."



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From CT

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