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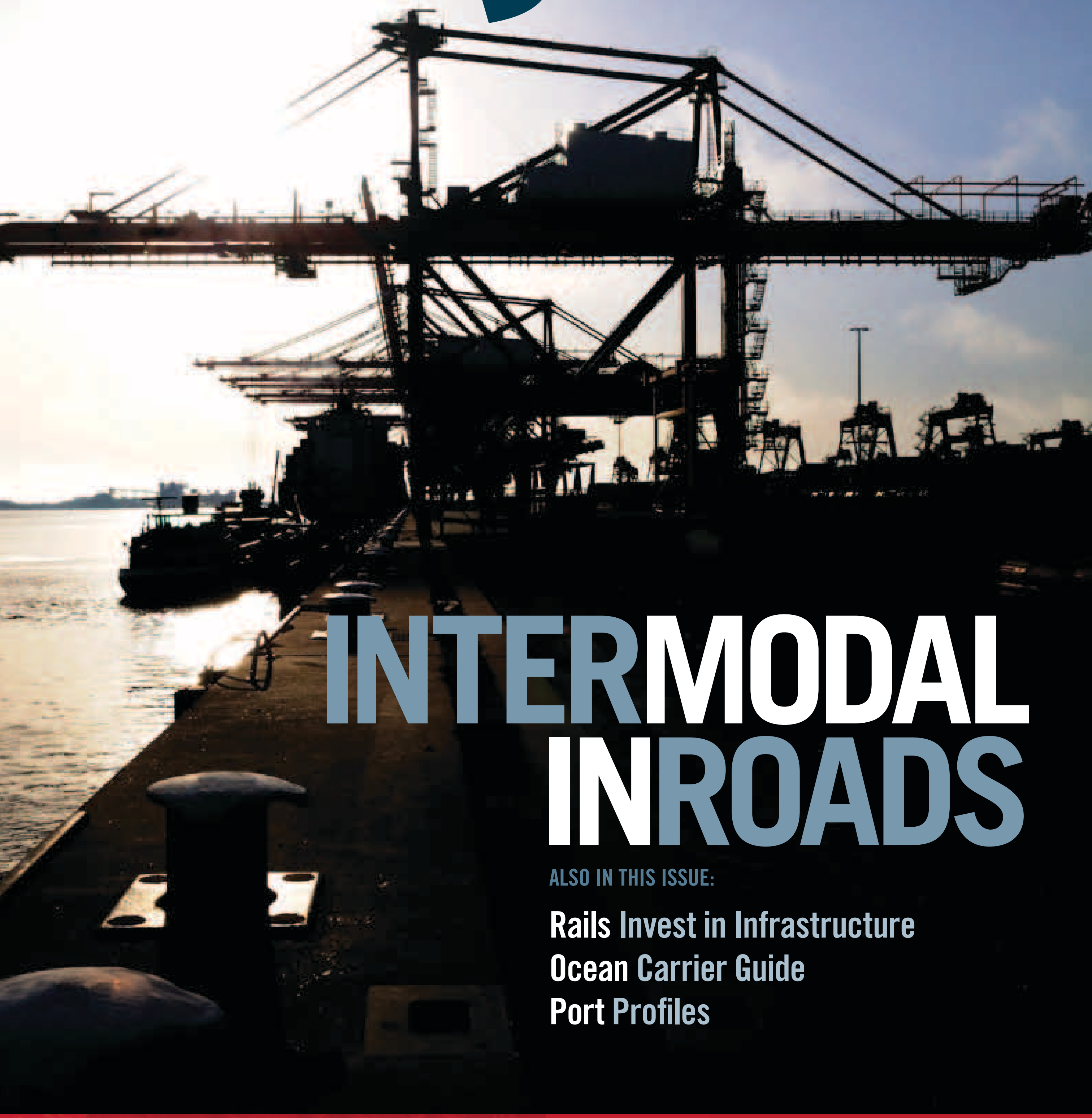

INTERMODAL INROADS

ALSO IN THIS ISSUE:

Rails Invest in Infrastructure

Ocean Carrier Guide

Port Profiles

HEY–WHERE'S MY CONTAINER? WHERE'S MY FREIGHT CAR?

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INSIGHT

INFO

INFOCUS

INDEPTH

CHECKINGIN

by Felecia Stratton | **Editor**

Intermodal: A Means, Not an End

Intermodal shipping has always been an integral part of the supply chain. Around U.S. ports, it's a capacity aggregator and transshipment accelerator for imports and exports flowing through congested hubs. On the domestic side, intermodal is a freight economizer, reducing transport costs by rationalizing long-haul bulk moves between road, barge, rail—and occasionally air.

For many years, commodity type, globalization, and cost dictated whether a shipment moved via intermodal. Today, however, consumer-facing companies are proactively seeking opportunities to mix transport, create economies of scale, access capacity, and deliver product in a more sustainable way.

Take Welch's, for example. "We made the move to intermodal three years ago because of high fuel costs," says Dan Biggs, director of customer logistics, Welch's. "It was also a green initiative to cut carbon emissions."

Intermodal isn't a huge mix for the Concord, Mass.-based food manufacturer famous for its grape juice. But it's growing. Welch's uses intermodal in lanes where it makes sense in terms of distribution presence—between Michigan and the Pacific Northwest, and from Erie, Pa., to Florida.

Customers dictate some of this demand, says Biggs. One customer specifies inbound pickups via intermodal, demonstrating how demand-driven practitioners with accommodating suppliers such as Welch's can gain competitive advantage.

The Container Store is another example. Merrill Douglas' article, *Intermodal Inroads* (pg. 32), describes how the "container company" works with J.B. Hunt and BNSF Railway to reduce transport costs by using intermodal for both inbound DC deliveries and outbound moves to retail stores.

Intermodal's arc has risen sharply over the past few years, for obvious recessionary reasons. Still, there is a learning curve. Faster-moving shippers have to account for longer lead times by accurately forecasting demand, creating better visibility upstream in the supply chain, and working collaboratively across internal logistics functions and external partners.

On the rail side, industry is responding to demand, as you'll read in Perry Trunick's article, *Improving Rail Infrastructure: On the Right Track* (pg. 41). U.S. rails are investing in services and infrastructure, and working with truckers and shippers to create a more viable multimodal network.

Thus far, it's working. Intermodal moves were up 14.7 percent in 2010 over 2009, according to the Intermodal Association of North America. Early 2011 reports suggest even more growth.

In the past, intermodal was considered merely a bridge between where one mode begins and another ends. Today, it's a means to strategically gain capacity, improve sustainability, and reduce costs across the supply chain. ■

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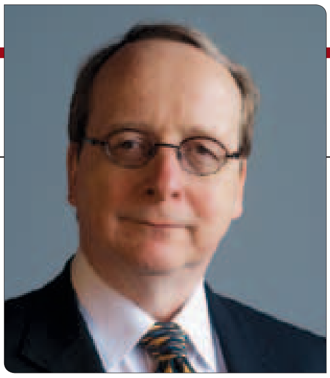


[INPERSPECTIVE]

BY PERRY A. TRUNICK
Associate Editor, *Inbound Logistics*
ptrunick@inboundlogistics.com

Reading the Signs

When forecasting the future, it's easy to be distracted by external indicators that sound significant. In supply chain management, indicators external to your enterprise, but internal to your supply chain, deserve your attention.

According to an old saying, there are three types of opinion: yours, mine, and the correct one. In these troubled economic times, the opinion research business is booming as we all try to cut through the fog of bad news for a positive sign of recovery–or at least stability. The signs are there, although they often seem dwarfed by a new onslaught of negativism. It can be overwhelming trying to find that one correct type of opinion or forecast.

The correct forecast may be in your supply chain. In fact, I'll go out on a limb and say that, for you, it is. That's not much of a risk given that I just acknowledged that both our opinions will be wrong, but the opinion of our silent partner may be the correct one. Let's ask the supply chain.

The status of supply chain management has improved in many organizations as a result of the prolonged economic downturn and instability. That means the board of directors is listening, but it also means they want to hear answers. And they express some powerful concerns for supply chain executives.

What's driving your supply chain agenda? Demand variability is often the top concern of corporate executives. Predicting customer behavior and responding to customer demands has always been a difficult undertaking. That may be why good forecasters are in high demand with executive recruiters.

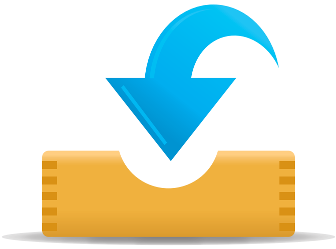
You can take a few steps to help get a handle on demand. With some good technology, collecting demand data is relatively easy. Demand data will help you meet changing customer requirements if your supply chain is agile enough to respond quickly to demand signals. The problem is, that's historical information and may not be the best predictor of future performance.

Visibility up the supply side of the chain, and the ability to respond, are also crucial to success in good times as well as bad. That visibility needs to extend further than the first tier of suppliers (though it may not be important to manage all the successive tiers directly). Requiring suppliers to have the same visibility as you are seeking will help ensure that what you hear and see in your supply chain is both accurate and timely.

When your supply chain starts to speak to you, and you are listening, obtaining results in the other top areas of concern expressed by supply chain executives–cost containment and reduction, and inventory management–won't seem beyond the reach of your supply chain.

When predicting the economic future, some news headline writers look for shock value, while other analysts seek to calm consumer fears and inspire their confidence. You will have an edge because you'll be listening to the one opinion that counts.

Your supply chain can supply you with a clear view of reality–good or bad. And that information will give you the ability to respond without overreacting. ■



DIALOG

LETTERS TO THE EDITOR

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There's No Getting Around It

Editor's Note: Several concerned readers pointed out the inherent danger of the two-way roundabout depicted in our September 2011 cover illustration. "All roundabouts have one-way traffic, and only the merge/right-of-way rules are different per country," wrote John Gibert, Menlo Worldwide Logistics.

It was certainly an ironic, but unintended goof. "How strange to proclaim 'All Roads Lead to Safety' and illustrate it with an inherently unsafe intersection showing vehicles traveling both directions," noted Michael Dyer of Anvil Corporation.

It's a good thing the *IL* staff designs magazines, not thoroughfares! Look for a corrected "safe" September cover illustration on our Web site.

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Working Both Ways

As a new *Inbound Logistics* reader, I really enjoyed *Reverse Logistics: The Untapped Revenue Stream* (August 2011). Because most companies have vast knowledge of their own products, along with well-established supply chain networks, there could be significant financial advantages and improved customer service from smart allocation of reverse logistics back to suppliers to increase the sustainability of forward logistics.

A complementary follow-up article could explore different strategies companies can take to effectively incorporate returns management parallel to their existing forward logistics, along with the pro and cons of each major strategy.

—**Ma Aung,** Engineer,
Rael Automatic Sprinkler

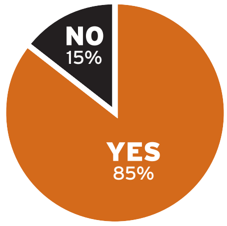
Survey Says

***IL* Editor Felecia Stratton's September 2011 *Checking In* column shared readers' cargo security tips, collected as part of a shipper survey. Here's how survey respondents weigh in on security issues.**

What steps are you taking to upgrade shipment security?

- Insuring shipments that exceed $100 per package and/or shipment
- Traveling by day
- Avoiding dangerous stops
- Implementing GPS tracking
- Contracting with core carriers
- Closely monitoring claims

Are the carriers you use doing enough to secure your shipments?



What more could carriers do to keep your shipments secure?

- Improve safety practices
- Enhance driver training programs
- Install GPS devices in all trailers

10TIPS

STEP-BY-STEP SOLUTIONS

by Deborah Catalano Ruriani

Protecting Your Supply Chain Against Disruption

Most companies know supply chain vulnerability poses a threat to their operations, yet few perform analysis or plan strategies to minimize risk to the bottom line. Businesses can protect against disruptions by adding supply chain redundancy, says Dr. Jeff Karrenbauer, president of supply chain solutions provider INSIGHT. Here is his advice for strengthening your logistics operations.

1 **Perform a supply chain vulnerability audit.** Start with your customers and the products they purchase, and work back to raw materials suppliers.

2 **Do rigorous "what-if" analysis.** Identify situations that could disrupt operations and develop contingencies to overcome these scenarios. Ask questions such as "What if we lose this supplier?" to create a strategic supply chain design that is optimally hardened against disruptions and serves as a cornerstone for a comprehensive business continuity plan.

3 **Implement a strategic supply chain plan** that mitigates the impact of disruptions. The trend toward lean inventory means many contemporary supply chains are "taut" or "brittle," and therefore vulnerable to disruptions. Reconsider inventory positioning, sourcing, and transportation options to create a more flexible supply chain.

4 **Compare the cost of stockpiling inventory against the risk of losing sales and customers,** and creating a negative impact on bottom-line profitability. Too much inventory at the wrong location adds to bottom-line costs. Determine optimal inventory policies and levels to sustain your company.

5 **Make sure you have multiple transportation plans in place.** Ruptured transportation means products and parts face delays in getting to customers. You can continue shipping products to customers—if you have alternative transport plans.

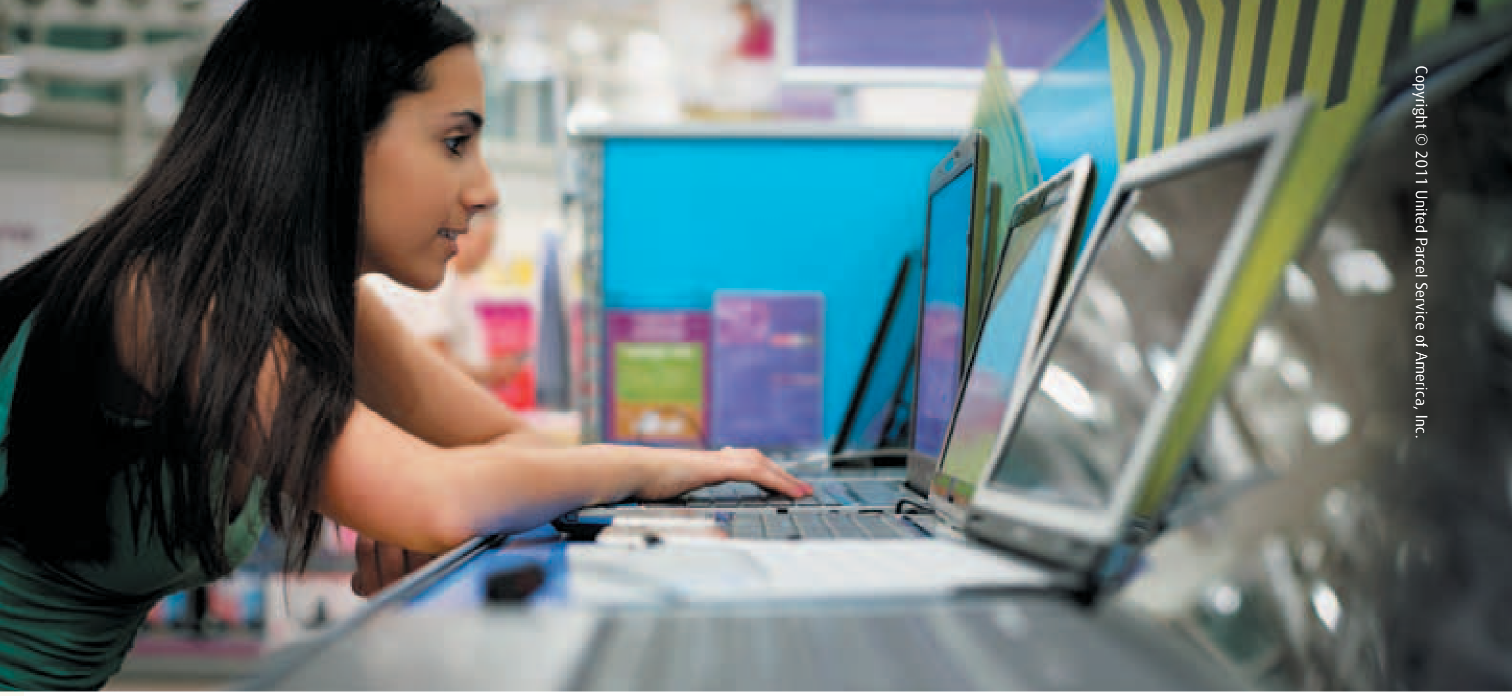
6 **Update plans regularly.** Factors such as new government regulations or suppliers can cause fluctuations in your company's vulnerability levels. It's vital to put in place consistent programs for updating your supply chain's resilience by reevaluating its design and instituting a corporate culture of security.

7 **Create a balance between supply chain network efficiency and operations resilience.** Take a holistic view of your supply chain to determine optimal network designs that ensure products are manufactured in the right location at the right time and will ship to the right customers.

8 **Put alternative raw materials and manufacturing sourcing plans in place.** Strategic planning ensures companies have alternative parts and supply sources, along with balanced inventory levels.

9 **Develop mitigating strategies from the C-level.** CFOs and others involved in corporate risk analysis and reporting need to take a realistic view of business risk from unimaginable real-world events, which have a very real probability of occurring.

10 **Design long-term strategies** as well as responses to short-term disruptions. These include critical location, customer, capacity, raw materials, and crisis response analysis. ■



3 WAYS LOGISTICS CAN KEEP HIGH-TECH CUSTOMERS COMING BACK.

When UPS surveyed leaders in high-tech companies, we learned that a key challenge is maintaining the bottom line while improving the customer experience. This balancing act is not impossible. It just takes logistics, by UPS.

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READER

PROFILE

as told to Merrill Douglas

Katie Reuland is operations director at Down, Etc., a San Francisco-based firm that makes and markets bedding items such as down comforters, pillows, featherbeds, and robes. The company markets its products primarily to upscale and boutique hotels in the United States, Ireland, France, Italy, and Panama.

RESPONSIBILITIES:

Maintaining inventory; managing a third-party distribution partner; working with contract manufacturers to develop new products; coordinating transportation; and managing order processing and customer service.

EXPERIENCE:

Management trainee/supply chain analyst, Toys 'R' Us; supply chain analyst, Cooking.com; supply chain manager, Robinson Salter.

EDUCATION:

Penn State University, B.S., Business Logistics, 1998.

Katie Reuland: Down to Business

DOWN, ETC., IS A SMALL COMPANY, SO I PLAY A LOT OF roles. I manage the inventory we keep at our third-party distribution center, and serve as liaison to our service provider there. I work on new product development with our manufacturing partners in China, a role that includes creating customized products such as robes, slippers, and bags imprinted with company logos.

I also coordinate logistics for our products manufactured in China and India, consolidating orders to build full containers and ensuring they are shipped correctly. I oversee an order processor and a picker-packer, and I manage customer service.

One of the hardest aspects of my job is working with our manufacturing partners to maintain quality. The best way to prevent unwanted changes to our products is through direct communication, which is why my boss and I will probably visit China soon. You can e-mail until you're blue in the face, but little gets solved until you talk in person.

Communication is an ongoing challenge. Over the years, experience has taught me the importance of following up. Even if I have a phone conversation and everything seems to be resolved, I always send a written recap. Then I don't have to rely on memory to understand what happened. If other people have different recollections of our conversation, they can respond to my summary, and we can continue the discussion until we end up on the same page.

The Big Questions

Scariest career decision?
Leaving the East Coast to follow my boss from Toys 'R' Us to a new opportunity with a dot-com in California. I was 25, didn't know anyone there, and was taking a big risk going to a dot-com. The company went under in less than one year, but I stayed in California to work at Cooking.com, where I learned a lot.

How do you recharge your batteries?
I love cooking, watching sports, and listening to music.

Alter-ego dream job?
Food critic. I went to cooking school, thinking I wanted to leave the crazy world of logistics. But I found out the cooking world is even crazier. I don't rule out cooking for a living someday—probably catering.

Is there something you love to do, even though it's not your particular talent?
I love to paint, but I am really bad at it.

What's on your Bucket List?
I want to jump out of a plane, eat my way through Europe, visit the Great Wall of China, and own a home.

I'll soon face a new challenge as our company moves to a building that we recently bought in South San Francisco. We currently have just an office and a showroom in a rented storefront downtown. The new building includes distribution space, where we want to keep some of our smaller products. We need to decide which items to store there, based on how they flow, then configure the facility with racking and other equipment.

One aspect of my job that gives me great satisfaction is to oversee a large installation for a hotel and ensure everything goes exactly right. To help hotels minimize the effort it takes to install the products they buy from us, we load containers so they're ready for the rooms. Instead of filling a carton with eight pillows, for example, we fill it with the four pillows that go on a bed, as well as the mattress pad, featherbed, and other components. We also color-code the boxes so the customer can tell, for example, which boxes are for the king rooms and which are for the queen rooms.

"The best way to prevent unwanted change is through direct communication." –Katie Reuland

It takes a lot of work to make all that happen perfectly. We've sent as many as 40 containers to a hotel at one time, working from the United States to ensure the product is loaded correctly in China. When it goes right, we get nothing but praise. We save hotels a lot of time and money in the long run, and they're so appreciative. ■

NOTED

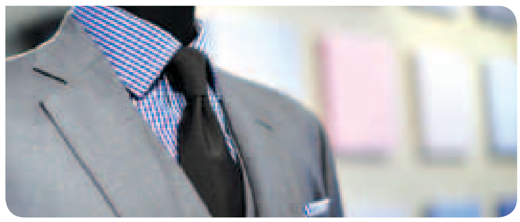
THE SUPPLY CHAIN IN BRIEF

recognition

Leicht Transfer & Storage Co. received the national **PECO Pallet Control Award for 2010** from PECO Pallet. The award recognizes national mills, warehouses, and distribution centers that demonstrate a commitment to audit efficiency and accuracy. Leicht won the PECO award in the warehouse category by achieving inventory accuracy of greater than 99.75 percent in 2010.

▼ American Honda Motor Company bestowed its **2011 Performance Excellence Award for Rail Destination of the Year** on **Florida East Coast Railway**. Honda gives this award to one railroad annually to recognize superior performance in on-time delivery, damage-free operations, accurate inventory control, and field audit inspections.

SEALED DEALS



▲ Men's clothier **Alton Lane** has gone live with **Quiet Logistics'** robotic e-commerce fulfillment services. Using automated robotic materials handling technology, Alton Lane expects to improve fulfillment speed and accuracy, and reduce delivery time by up to 20 percent.

Fashion apparel and accessories company **Liz Claiborne Inc.** extended its contract with **GT Nexus** for a supply chain visibility and control platform. Delivered as a cloud service, the platform gives Liz Claiborne the capability to tightly monitor and control inventory flows between suppliers, logistics providers, distribution centers, and customers.

Ruan Transportation Management Systems is partnering with **Fair Oaks Farms** to manage its compressed natural gas (CNG) fleet in Fair Oaks, Ind. Ruan's fleet of 42 renewable CNG milk-hauling trucks will travel more than 11 million miles annually. The new trucks replace diesel-powered models and, by displacing more than 1.5 million gallons of diesel per year, significantly reduce both direct emissions and the traditional carbon footprint of energy production.

GREEN SEEDS

Ryder System Inc. and **Staples** have agreed to add 10 heavy-duty compressed natural gas (CNG) tractors to Ryder's dedicated fleet servicing Staples. These CNG tractors replace 10 diesel tractors currently used by Ryder for Staples, and have been made available through Ryder's natural gas vehicle project agreement with southern California's San Bernardino Associated Governments.

UP THE CHAIN

Materials handling equipment manufacturer and distributor **SPG International** appointed **James R. Stephens** vice president and chief information officer. Stephens is responsible for streamlining and enhancing service delivery, and overseeing the company's technology strategy. A senior executive with a broad background in logistics operations, Stephens most recently served as chief operating officer at The Great American Hanger Company, where he directed supply chain management and warehousing operations.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HEY–WHERE'S MY CONTAINER? WHERE'S MY FREIGHT CAR?

TRENDS

SHAPING THE FUTURE OF LOGISTICS

The alliance between JAXPORT *(pictured)* and Florida Inland Port facilitates improved flow of goods throughout Florida and the U.S. Southeast.

Florida Transportation Infrastructure Shines

by Joseph O'Reilly

Among states that are likely to benefit the most from the Panama Canal's expansion, Florida has been very proactive investing in infrastructure improvements—notably expansions at the Port of Miami.

Now, Florida Inland Port has signed a memorandum of understanding (MOU) to create a strategic alliance with the Jacksonville Port Authority (JAXPORT). The agreement between one of Florida's largest seaports and the state's first rail-oriented, integrated logistics center helps pave the way for improved product flow through Florida and the U.S. Southeast.

Similar to recent agreements with the Port of Miami and the Port of Palm Beach, the MOU establishes a strategic alliance that will enhance the exchange of ideas, sharing of resources, and consolidation of efforts associated with Florida's initiative to establish itself as a major player in international trade and logistics. It pledges mutual support between the planned St. Lucie County logistics center and JAXPORT, and reinforces the importance of the inland port as Florida's first dedicated logistics hub.

"This type of alliance and shared initiative is the key to Florida's future competitive position in the world economy," says Paul Anderson, CEO, Jacksonville Port Authority. "Having our sophisticated port system supported by a dedicated central inland logistics center will help the ports work effectively to capture the flow of goods coming in through the expanded Panama Canal, Europe, and South America."

Virginia Port's Paper Weight

Plans for a new $25-million warehouse at the Port of Virginia's Portsmouth Marine Terminal are on hold and may have to be scrapped after engineers found the ground was not strong enough to handle heavy rolls of paper, port officials report.

The CrossGlobe Group, a Glen Allen-based logistics firm, announced in May 2011 that it planned to begin operating a paper and pulp import-export business out of a 500,000-square-foot warehouse to be built on the dock at Portsmouth Marine Terminal in 2012.

In a deal with Montreal-based paper company Kruger, the 3PL planned to bring approximately 150,000 tons of newsprint into the port annually. About 40,000 tons would go to publications, including *The Virginian-Pilot*, and 110,000 tons would be packed into containers for export to India and Brazil.

"The engineers came back and said we couldn't put a warehouse there that handles paper, because paper has to be stacked and the weight on the floor would cause the ground to rut," explains Joe Dorto, CEO of Virginia International Terminals, which operates the Virginia Port Authority's facilities.

The port authority could still green-light the project, but at double the cost—which is an unlikely option. Currently, the port has engineers looking at potential alternatives to make sure it can keep the business.

One solution would be to build a covered underpass connecting the pier to a warehouse built farther back from the water.

Top U.S. Ports for 2011 Imports

For many U.S. ports, total imports for 2011 are up compared to 2010. Seattle is one exception, with TEU imports down nearly 15 percent, due to significantly fewer imports from China, Japan, Hong Kong, and other Asian countries.

Port	% Change 2010-2011
Los Angeles, Calif.	▲ 1.05%
Long Beach, Calif.	▲ 4.66%
Newark, N.J./ New York, N.Y.	▲ 3.53%
Savannah, Ga.	▲ 3.15%
Seattle, Wash.	▼ 14.95%
Oakland, Calif.	▲ 1.98%
Norfolk, Va.	▲ 0.98%
Charleston, S.C.	▲ 6.35%
Houston, Texas	▲ 1.27%
Tacoma, Wash.	▼ 0.13%

Source: Zepol Corporation

Foreign Trade Twilight Zone

Shippers are about to enter the "no manufacturing" zone if U.S. officials have their way.

American exporters, importers, and multinational companies are urging a government panel to reconsider proposed rules changes they say would make it harder to do business through foreign trade zones in the United States, according to the United States Council for International Business (USCIB), which represents America's top global companies and signed the appeal along with several other groups.

The business groups have asked

the Foreign Trade Zones Board (FTZB), an interagency body led by the Department of Commerce, to re-open for comment a portion of proposed rules change, put forward in December 2010, that would impose more costly and burdensome treatment of goods subject to anti-dumping duties or countervailing duties that move through such zones.

The existing policy allows FTZ users to import goods that would normally be subject to such duties, then manufacture and re-export finished goods without paying duties, as long as the finished products are not sold in the United States. The new proposal would make such duty-free importation more difficult by requiring a de facto trade remedy proceeding to determine whether the duty-free admission of these goods is in the public interest.

Parsing Parcel Shipping Trends

When it comes to parcel and freight shipping, companies are loyal to their transportation partners – and a little old-fashioned, according to Kewill's *2011 Best Practices Survey for Parcel Shipping and LTL/Freight Management* report. Among its key findings:

21 Percentage of shippers still using a fully manual process to input parcel information.

8 Percentage of shippers that claim to have a totally hands-free operation.

2 to 5 Number of carriers most LTL/freight shippers currently use in their operations.

1 to 3 Number of parcel shipping carriers the majority of companies still use.

2011 vs 2010 The economic environment has improved, with an increasing number of companies in a position to add headcount to their shipping operations.

Court Rejects LA Clean Truck Plan

An appeals court recently ruled against the Port of Los Angeles in its attempt to restrict truckers that can haul goods in and out of its terminals as part of an ambitious anti-smog initiative.

The nation's largest port has tried to stop trucking companies from contracting with independent drivers as part of the Clean Truck Plan to replace thousands of tractors with cleaner-burning models to reduce diesel emissions.

The Port of Los Angeles reasons that even with subsidies to help pay for new rigs, which can cost more than $100,000, the independent truckers who make up the majority of drivers hauling cargo at the port can't afford to maintain them. The port argues that truck companies must be responsible for their drivers and for shouldering some of the program's costs.

The requirement "is tantamount to regulation," says the U.S. 9th Circuit Court of Appeals panel, and cannot be enforced. The ruling reverses a federal judge's decision in 2010 that the port should be allowed to take action to maintain its commercial operations "as any private landlord would."

While it recognizes the port's desire to improve trucker wages, benefits, and working conditions, the appeals court says it cannot "unilaterally insert itself into the contractual relationship between motor carriers and drivers."

The ruling protects trucking companies' rights to conduct their businesses. "By throwing out the ban, the court has ensured that competition, not government regulation, will establish motor carrier rates, routes, and services," says Bill Graves, president and CEO of the American Trucking Associations, which sued the port. ■

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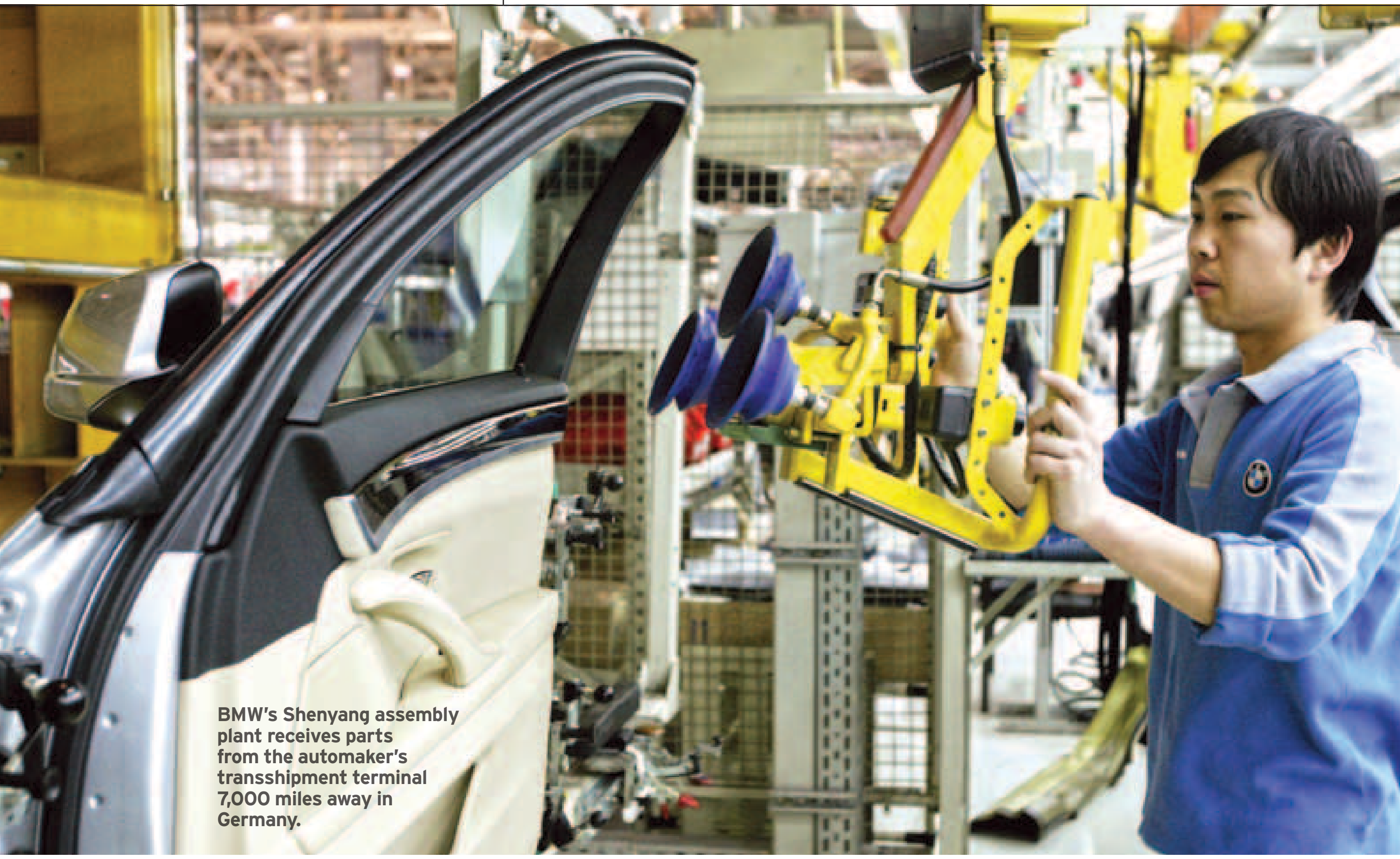
HEY–WHERE'S MY CONTAINER? WHERE'S MY FREIGHT CAR?

GLOBAL

THE WORLD AT A GLANCE

by Joseph O'Reilly



BMW's Shenyang assembly plant receives parts from the automaker's transshipment terminal 7,000 miles away in Germany.

BMW Rides Orient Express to China

As yet another sign that the Eurasian land bridge is becoming a preferred means for moving intercontinental shipments, DB Schenker Rail Automotive recently began overseeing auto part transports from Leipzig to Shenyang in northeastern China on behalf of BMW.

Trains loaded with parts and components depart from DB Schenker's Leipzig-Wahren transshipment terminal for a three-week, 7,000-mile journey to BMW's Shenyang plant in the Liaoning province, where components are used in the assembly of BMW vehicles. Beginning in late November 2011, trains will depart Leipzig once each day.

"With a transit time of 23 days, the direct trains are twice as fast as maritime transport, followed by over-the-road transport to the Chinese hinterland," says Dr. Karl-Friedrich Rausch, member of the management board for DB Mobility Logistics' Transportation and Logistics division.

The route reaches China via Poland, Belarus, and Russia. DB Schenker Rail cooperates with partner rail companies in each country to oversee the trains.

The move is not without challenges, however. Containers have to be transferred by crane to different gauges twice–first to Russian broad gauge at the Poland-Belarus border, then back to standard gauge at the Russia-China border in Manzhouli.

Shipping Industry Exhorts UN to Fight Piracy

The global shipping industry (represented by the Round Table of international shipping associations) has called on the United Nations (UN) to establish a force of armed military guards to tackle the piracy crisis in the Indian Ocean.

In a letter to UN Secretary-General Ban Ki-Moon, the International Chamber of Shipping (ICS), BIMCO, INTERTANKO, and INTERCARGO demanded the UN take action to curb rising levels of piracy. "It is now abundantly clear to shipping companies that the current situation, whereby control of the Indian Ocean has been ceded to pirates, requires a bold new strategy," the associations state. "To be candid, the current approach is not working."

Regretting the increasing need for shipping companies to employ private armed guards to protect crews and ships, the letter continues: "It seems inevitable that lawlessness ashore in Somalia will continue to breed lawlessness at sea."

The shipping industry organizations fully support the UN's long-term measures on shore aimed at helping the Somali people, but are concerned that these "may take years, if not decades, to have a meaningful impact on piracy."

Asian Logistics Set to Soar

The Asia Pacific transport and logistics market's vitality and complexity offer investors and operators the industry's best prospects for growth and returns, according to Transport Intelligence's *Asia Pacific Transport & Logistics* 2011 report.

While logistics companies in Europe and North America struggle with a long-term weak economic environment, Asia offers many more opportunities. The England-based market research company identifies three key drivers to growth:

1. The Chinese economy's rapid development shows no sign of slowing, and its progression from a low-cost manufacturing base to high-value production location marks a new stage in its evolution. As labor costs rise in China, production is spilling over into neighboring, lower-cost markets. Both trends offer opportunities to freight forwarders and contract logistics providers.

2. The leading Asian economies' integration is proceeding fast, with free trade agreements reducing barriers to international commerce. Logistics companies can increasingly view parts of the region as a single market.

3. Governments throughout the region are investing in numerous transport infrastructure projects as intra-regional trade increases, facilitating the provision of logistics services. Emerging countries such as Laos, Cambodia, and Sri Lanka have seen major boosts in their economies as the number of manufacturing operations increase and disposable income rises. Consequently, these countries are rapidly ramping up projects to build airports, roads, and rail networks in order to compete in the global economy.

Geodis Greens the Distripolis

Geodis' Distripolis hybrid trucks boast a cryogenic refrigeration unit, and reduce diesel fuel consumption.

French logistics company Geodis is changing the urban delivery landscape in Lille, France, by deploying hybrid refrigerated trailer trucks. The new initiative is part of Geodis' Distripolis urban logistics system that will transport product to six Carrefour stores in the city center more sustainably.

In 2010, Geodis teamed up with Renault Trucks to test a unique hybrid vehicle equipped with a cryogenic refrigeration unit. The vehicle was proposed to several customers for testing, and retailer Carrefour was the first to request the new units, which fit its sustainable development strategy. The 29-ton hybrid trucks, which comply with the Euro 5 emissions standard, began delivering goods to Carrefour stores in October 2011.

The thermal engine-electric motor combo in hybrid trucks lowers diesel consumption by an average of 20 percent, an annual CO_2 emissions reduction of 11 tons. Using liquid nitrogen, a non-toxic substance that doesn't emit CO_2, as the refrigeration fluid makes the vehicles even more environmentally friendly.

The vehicles also have separate transport compartments, so both fresh produce and dry goods can be delivered at the same time. In addition, the cooling unit lowers the temperature twice as fast, making the trucks particularly useful for transporting vegetables.

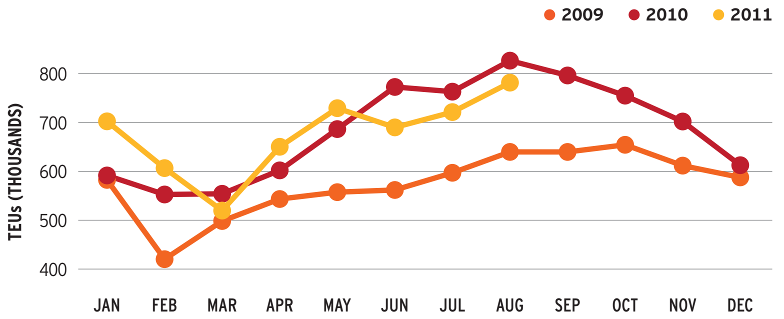
Canadian Trucking on a Roll

Canadian trucking companies have completed the most takeovers in more than one decade. The country's 10 trucking acquisitions in 2011 are up from four in 2010, and one short of 2006's record of 11, according to data recently compiled by Bloomberg. There were no takeovers in 2009, when the world's 10th-largest economy was hit hard by the global recession.

For Canadian companies such as Contrans Group, Mullen Group, and TransForce, buying smaller haulers is attractive because the country is likely to avoid the brunt of any global slowdown. Canadian truck stocks may see gains even with the threat of more weakness in the country's trading partners. All of this bodes well for economic recovery. [ ]

U.S. Vessel Imports from China

Vessel imports from China reached a high for 2011 in August; however, they still lag behind last August's figures (down 5 percent). With mixed economic reports, many importers are cautious as the holiday shopping season approaches.



Source: Zepol Corporation

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The Panama Canal Expansion Will Be a Supply Chain Game Changer

The upcoming Panama Canal expansion is much more than just a story of bigger ships and increased trade for East Coast ports. It will also have a substantial impact on the U.S. supply chain and its efficiencies. By lengthening, widening and deepening the locks, the Canal will accommodate much larger ships. In fact, the largest ships today carry just 5,000 twenty-foot equivalent units (TEUs). When the expansion opens in 2014, that number will jump to as high as 13,000.

The combination of handling much more in fewer trips at lower cost is compelling. But it's only part of the story.

Equally important is West Coast congestion. To begin, there's the matter of moving all that cargo through Long Beach and other Pacific ports. There's also the issue of where do the TEUs go next and how much effort does it take to move them to their staging destinations.

Those destinations are being pushed out further and further from the ports themselves. Today, it's difficult, if not impossible, for an importer to build a 1 million square foot distribution center much closer than 90-100 miles from Long Beach.

To help ease this congestion, other West Coast ports as far north as Prince Rupert Island, British Columbia have been expanded and modernized. But then there is always the issue of port location relative to the time to market.

That combination of factors puts the new Panama Canal at the epicenter of a strategic supply chain shift. According to Jones Lang LaSalle, 25 percent of imports currently coming through the West Coast could shift to East Coast ports as a direct result of the Canal expansion. In fact, the firm cites the Panama Canal as one of the five most compelling change agents in the supply chain going forward.

This fundamental shift will significantly change the region-of-origin orientation of the two coasts. Today the west is largely focused on Asia and the east on Europe and the Americas. Going forward, Asian imports will be much more prevalent in eastern ports.

Already cities from the East Coast to the Midwest are building new supply chain infrastructure to accommodate such a massive shift in import traffic, according to real estate giant Cushman and Wakefield.

Ports of Savannah, Charleston, Jacksonville, Miami, Baltimore and Philadelphia have announced projects to enlarge and deepen channels to make way for the larger ships. Meanwhile, the Hampton Roads and New York/New Jersey ports are already in position to benefit from the shift.

Georgia and South Carolina are co-developing the $500 million Jasper Ocean Terminal. This project is expected to handle 7 million cargo containers annually.

But it doesn't stop there. The non-port city of Dallas is ready to handle increased intermodal traffic. Other inland ports are expected to benefit nicely from the import shift. Of particular note are Atlanta, Chicago and Columbus.

According to Cushman and Wakefield, the mode mix of shipments is changing as shippers look to keep as much product as possible on the most efficient modes of transportation for as long as possible. This means maximizing rail and sea transport over trucking and air.

That said, the Georgia Center for Innovation and Logistics points out that the Georgia is well positioned to deliver goods quickly from its ports by highway. Cargo arriving at Georgia ports is within two or fewer days from 80 percent of the U.S. industrial and commercial markets.

And that may prove to be a major supporting factor in the coming build out of distribution center (DC) capacity in the southeast especially. Not only will more facilities be needed, but distribution networks may already be undergoing a significant shift, says Cushman and Wakefield.

The firm foresees a shift from super distribution centers to a hub-and-spoke model of smaller DCs. The driving force is the high cost of energy and the low efficiency of less-than-truckload shipments typical of the large DC model.

So what started out just as an expansion of the Panama Canal is certain to have a major impact on the flow of imports into the United States. It will also have a major impact on the flow of goods once they get to the U.S., creating new supply chain efficiencies.

MHIA is the producer of the MODEX 2012 Expo coming to Atlanta's Georgia World Congress Center February 6-9, 2012. To learn more about the MODEX Expo and keynote by Panama Canal Authority CEO Alberto Alemán Zubieta, visit MODEXShow.com.

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CARRIERS CORNER

by Paul Hammes

Rails Give Agricultural Industry Seeds to Grow

Freight railroads represent a critical supply chain link for agricultural product shippers. It's not enough that railroads haul a ton of freight nearly 500 miles on a single gallon of diesel fuel—the equivalent of a standard mid-sized car getting 200 miles per gallon.

To provide agricultural product shippers with the best value and service, freight railroads need to increase capacity while delivering reliable, consistent service to an industry with a high level of seasonal, geographic, and product variability.

The rail industry, particularly across the Midwest and western portions of the United States, has responded to these requirements in numerous ways, including:

■ **Capacity.** Many industries continue to act cautiously in today's volatile economy, making only minimal capital investments. In contrast, freight rail has invested approximately $10 billion annually back into the rail network, despite the worst recession in a generation.

In fact, railroads invested a record $10.7 billion in 2010 and are projected to spend $12 billion in 2011. Those are private dollars supporting our country's transportation infrastructure, with no taxpayer burden.

Freight railroads moved nearly 1.15 million carloads of grain in 2010, almost an 11-percent gain over 2009, reflecting strong overseas demand for high-quality, competitively priced U.S. grain. U.S. wheat exports in 2011 are projected to hit their highest levels since 1992, according to the U.S. Department of Agriculture.

■ **Reliable service.** Freight railroads continue to develop a large shuttle-train network that provides shippers with cost-effective access to all major domestic and export markets. These grain train shuttles are dedicated sets of 75 to 110 covered hopper cars for loading whole grains that move as a unit from one origin to one destination.

Throughout the Midwest, West, and Mexico, where a large number of grains are produced and consumed, railroads have helped develop about 400 shuttle service locations. This efficient service offering can more than double the productivity of covered hoppers for grain.

■ **Variability.** U.S. energy policy increased ethanol production from approximately three billion gallons annually in 2003 to more than 13 billion gallons per year in 2010. The rail sector responded by helping shippers locate and design infrastructure for rail-served production plants, and developing unit-train ethanol unloading terminals in all major consumptive markets to ensure consistent, high-volume ethanol movement. The result was a five-fold increase in ethanol rail car loadings.

U.S. railroads played a key role in supporting grain export increases in 2010 and early 2011, when crop failures in Russia and Eastern Europe increased U.S. wheat exports by 46 percent. Approximately 69 percent of the total U.S. wheat exported out of the Gulf moved there by rail, 31 percent by barge.

ONGOING COMMITMENT

In July 2010, *The Economist* cited America's freight rail network as one of the unsung transportation successes of the past 30 years, universally recognized as the best in the world. Ongoing investments in infrastructure, training, equipment, and technology represent the railroads' commitment to providing the safest and most efficient service to America's agricultural industry. ■

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ITMATTERS

by Chad Collins

Building Operational Excellence Through EDI

While many companies leverage EDI (electronic data interchange) to comply with trading partner requirements, few take advantage of EDI to drive operational excellence. Limiting EDI use to fundamental transactions, such as purchase orders and invoices, leaves money on the table and misses an opportunity to strengthen customer service and overall competitiveness.

Companies achieve the greatest operational excellence gains by expanding EDI across a broad spectrum of transactions and integrating it with a warehouse management system to create visibility through the supply chain. Supply chain benefits of EDI usage include:

1. Enhanced visibility. EDI can enable a sharper understanding of your supply chain to reduce inventory carrying costs. You can stock only what you need.

2. Reduced labor costs. Companies using EDI for advanced shipping notices (ASNs) can save up to 40 percent of labor costs associated with inbound processing.

3. Minimized freight costs. Using EDI in concert with a transportation management system can minimize transport expenses while maintaining high service levels through load consolidation and mode selection.

4. Improved customer service. Customers, suppliers, and regulators benefit from the seamless flow of critical business information among partners.

INCREASING SHIPMENT VISIBILITY

Import regulations change often and continually require more data to be captured and reported. For example, Customs and Border Protection's Importer Security Filing initiative, commonly known as 10+2, requires importers and vessel operating carriers to provide additional advance trade data. Companies can leverage this data to increase inbound supply chain visibility.

The 10+2 rules require importers to provide Carrier Status Messages, which are used to track the physical movement of cargo containers as they travel through the supply chain. This information is also useful to importers and end customers, because it helps them forecast delivery dates and make better shipping decisions if a delay occurs in the import process.

Given the benefits, why don't more companies fully leverage EDI for ASNs? The main reason is that ASNs are complex, highly customized transactions that can be difficult to implement because the EDI system must keep track of all trading partner specifications.

Another reason is geography. Although many companies source products from Asia, many suppliers in the region have limited EDI infrastructure.

PROMOTING EDI ADOPTION

What can be done to increase EDI adoption? First, retailers can keep specifications as simple as possible. If they limit ASNs to capture only the most critical information, their trading partners will have an easier time complying, and EDI adoption will increase.

In addition, it is helpful to deploy a supplier management portal as part of your EDI system. This tool will help you share electronic documents with lower-volume suppliers who do not have EDI capabilities. To drive the most value for all parties, EDI should be a two-way street.

Whether you are looking to plan your labor more effectively, identify cross-docking opportunities, or simply make better use of your space, EDI can help accomplish these goals. It is a valuable tool that is often overlooked or misunderstood. ■

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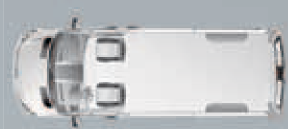

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VIEWPOINT

by Stephen Hamilton

Is Intermodal Right For You?

Capacity and driver shortages plague the over-the-road (OTR) trucking sector, prompting shippers to consider the merits of other transportation modes.

Intermodal freight shipping combines the resources of different transportation modes, such as trucking and rail, to move products from manufacturing site to final destination. Offering economic and environmental benefits, intermodal freight shipping provides an attractive transportation alternative to OTR trucking for shipments moving more than 750 miles.

Intermodal helps lower transportation costs by allowing each mode to be used for the portion of the trip to which it is best suited. An intermodal container makes it possible to change shipment methods – whether to truck, rail, or ship – without individual freight handling. Freight can be efficiently shipped door to door.

Intermodal freight shipping also helps reduce traffic congestion, accidents, and the burden on overstressed transportation infrastructure. One intermodal train replaces 280 trucks and saves 20 percent on shipping costs.

In addition, intermodal shipping can help companies support green initiatives and comply with environmental standards. Three times more fuel efficient than trucks, intermodal shipping reduces energy consumption, contributing to improved air quality and environmental conditions.

Shifting 10 percent of long-haul freight from truck to rail would save nearly one billion gallons of fuel annually, according to a study by the Federal Railroad Administration (FRA). And replacing OTR with intermodal transportation for shipments of more than 1,000 miles reduces greenhouse gas emissions by 65 percent, according to the Environmental Protection Agency (EPA).

Railroads also are the safest way to transport hazardous materials. While railroads and trucks carry roughly equal hazmat ton-mileage, trucks have nearly 16 times more hazmat releases than railroads, according to the FRA.

BENEFITS ABOUND

If your company ships product more than 750 miles, it might benefit from using intermodal shipping. The longer the haul, the greater the fuel and cost savings provided by rail shipping, compared to the handling costs of transporting and transferring trailers and containers between trains and trucks, according to EPA reports.

While intermodal may be restrictive for some shippers due to longer lead times in crossing the country (which takes eight to 10 days, versus five to six days by truck), storing safety stock in bulk containers near customer sites can offer a cost-effective solution.

By keeping surplus goods within 50 miles of a final destination, freight that originally had to ship cross-country can be quickly available for just-in-time delivery. Bulk container storage costs are substantially lower than keeping products on trucks for stand-by delivery.

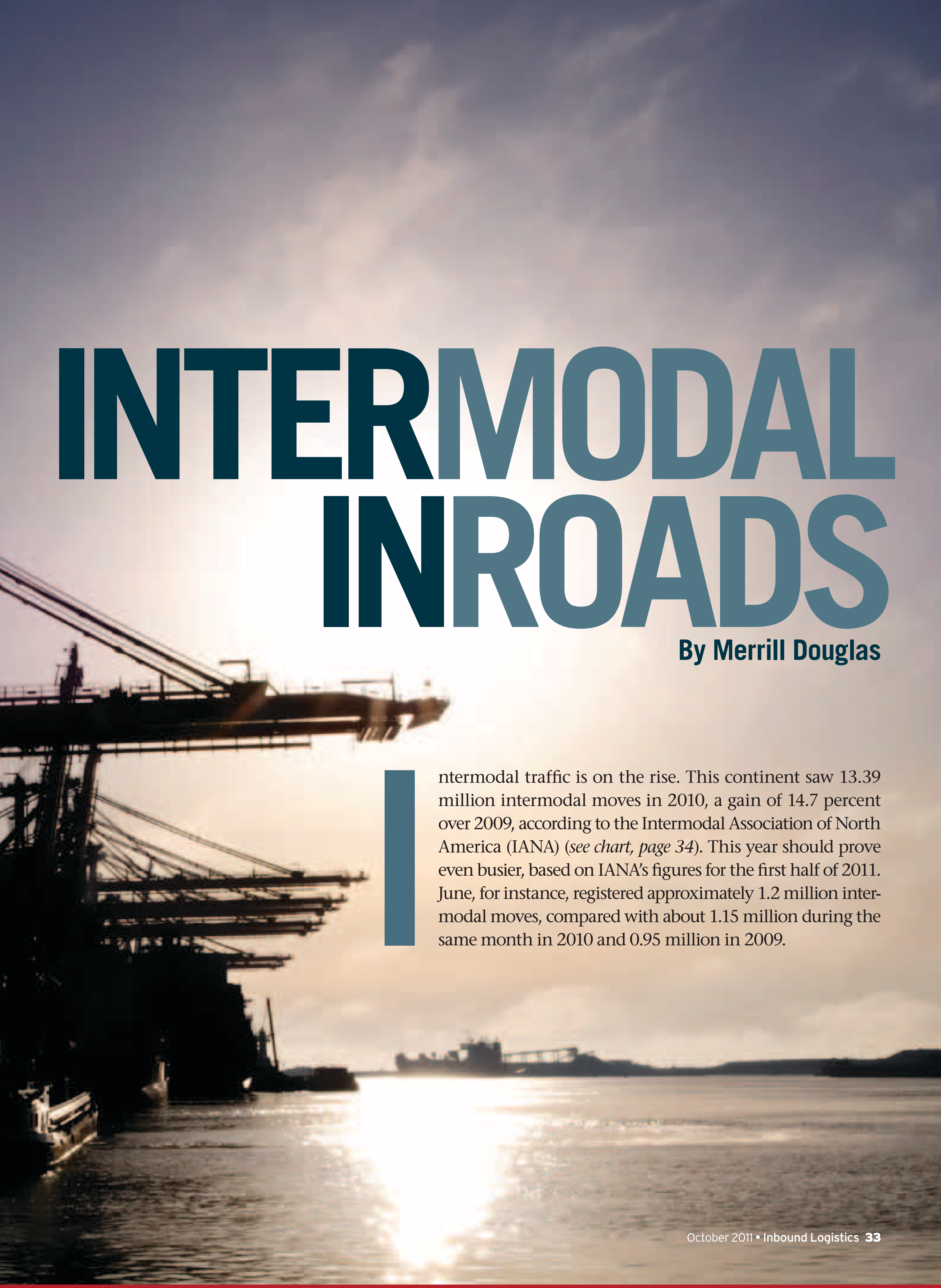
Typically, shipping liquid bulk products via intermodal can save shippers more than 40 percent compared to OTR tank trucks, even based on one load. And while intermodal accepts loads of every size and frequency, getting a carrier to deliver just one or two shipments cross-country each year may prove too expensive or impossible to take the freight at all.

Now is the time to work with your business unit leaders and collaborate with your logistics group or third-party consultants to evaluate whether intermodal transportation can benefit your supply chain. ■

LANDSTAR

New facilities, upgraded equipment, and creative service options are making intermodal transportation more attractive and reliable than ever.

HEY–WHERE'S MY CONTAINER? WHERE'S MY FREIGHT CAR?



INTERMODAL INROADS

By Merrill Douglas

Intermodal traffic is on the rise. This continent saw 13.39 million intermodal moves in 2010, a gain of 14.7 percent over 2009, according to the Intermodal Association of North America (IANA) (*see chart, page 34*). This year should prove even busier, based on IANA's figures for the first half of 2011. June, for instance, registered approximately 1.2 million intermodal moves, compared with about 1.15 million during the same month in 2010 and 0.95 million in 2009.

And that's only part of the story. IANA's numbers focus on freight that uses rail for one leg of its trip. But by IANA's own definition, intermodal means "the transfer of product involving multiple modes of transportation—truck, railroad, or ocean carrier."

IANA's statistics don't include, for example, containers that arrive in a port by ship to be hauled by truck or barge to their final destinations. But those are intermodal moves, too, and they account for a good deal of traffic.

Any way you sort the figures, intermodal is growing strong. And carriers, port authorities, and other service providers are working on ways to make it stronger still.

EYE ON 2014

At the Port of Brownsville, Texas, some of that work is focused on attracting more cargo when the newly widened Panama Canal opens for business in 2014. Located on the Brownsville Ship Channel, the port is in no position to welcome 8,000-TEU (20-foot equivalents) or larger vessels when they start sailing through the Canal.

"But I believe the port will have opportunities to help transship loaded containers that may be going to Houston or another Gulf port destination, then eventually getting on a larger vessel," says Eduardo Campirano, chief executive officer and director of the Port of Brownsville.

While Brownsville handles a great deal of bulk traffic, it's also looking to enhance its container services, says Campirano. Starting in 2010, the port briefly operated a program that received containers overland from Mexico and put them on ocean-going barges bound for Port Manatee, Fla. Called the Gulf Container Expansion Project, the service earned the Port of Brownsville a spot in the U.S. Department of Transportation's Marine Highway initiative, a program designed to ease highway congestion by moving more cargo on the water.

The Gulf Container Expansion Project transported mainly finished goods, such as floor tile, beer, and wire rods, from Mexico. From Port Manatee, the containers continued by land to distribution centers (DCs) all along the East Coast.

Financial problems forced the service's operators to shut it after just a few weeks, but port officials hope to reinstate the Brownsville-to-Manatee run, possibly adding a third Gulf port.

In addition to promoting the ocean-going barge concept, the Port of Brownsville is working to ease the transition between ship and highway. For example, it's participating in a project to build a highway connection between its property and the nearby future Interstate 69. Besides providing a direct route to shipping terminals, this new spur will give the port access to thousands of greenfield acres for new development.

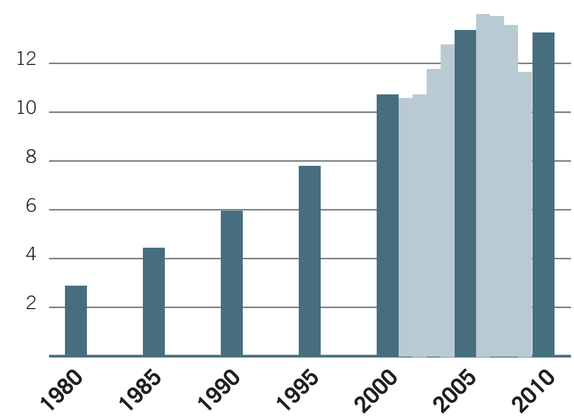
"At one 1,000-acre site, we're focusing on developing a multimodal facility," Campirano says. Along with interstate access, that facility would take advantage of rail service from Union Pacific (UP), Burlington Northern Santa Fe (BNSF), and Kansas City Southern (KCS) available at the port.

Local officials are currently negotiating a public-private partnership with "a major logistics company to build that facility," says Gilberto Salinas, vice president of the Brownsville Economic Development Council. "We are looking to break ground in about one year."

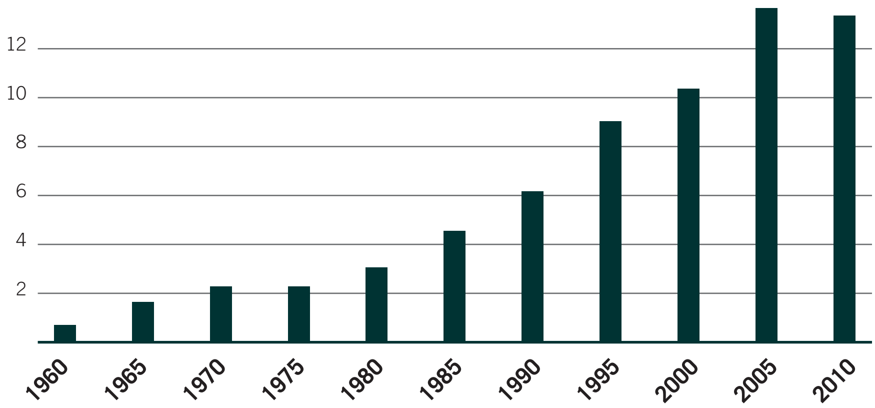
INTERMODAL INCREASES

Intermodal loadings and volume continue to grow. Total intermodal volume was up 14.7 percent in 2010 over 2009, according to IANA. After several previous quarters of decline, international intermodal volume surged every quarter of 2010, as retailers rebuilt inventories. 2010 was also a growth year for overall domestic business. Domestic container growth ended the year 13.3 percent above 2009 figures. This increase followed a 7-percent gain in 2008 and 2.9-percent growth in 2009.

TOTAL INTERMODAL LOADINGS
in millions 1980–2010



TOTAL INTERMODAL VOLUME
in millions 1960–2010



SOURCE: Association of American Railroads, Intermodal Association of North America

Many intermodal shipments to or from the Midwest will pick up speed starting in late 2011, when ocean carrier APL opens its new Chicago Global Gateway terminal in Joliet, Ill. The 43-acre container facility will eventually replace APL's existing intermodal container terminal in Chicago.

The main advantage of the new location is proximity to the intermodal ramps UP and BNSF operate in Joliet. "The terminal will offer the opportunity to increase shipment velocity," says Gene Seroka, Americas president, APL. The UP and BNSF ramps are just one mile and three miles, respectively, from the new facility.

Advanced technology will also help expedite container transfers between truck and rail, or vice versa. "The terminal's eight automated gates will speed the transaction time for containers being brought in for export, or empty containers being picked up for loading or stuffing at the shipper's facility," Seroka says.

Greater efficiency and speed at the Chicago Global Gateway terminal will allow APL to provide better service to shippers moving time-critical freight, such as materials for just-in-time manufacturing. "Having assurance of service between the intermodal handoffs gives shippers more confidence," Seroka says.

The Joliet site will provide 1,600 container stalls, plus room for another 400 containers stored off chassis. It will offer 50 outlets for plugging in refrigerated containers, a number that APL eventually plans to double. Other features include a maintenance and repair shop with eight dedicated slots, and a six-bay wash dock for refrigerated and dry containers.

"We also have the ability to prepare reefer containers pre-trip," Seroka says. "For example, we cool the containers to a certain temperature based on the commodity we'll be loading, and we ensure cleanliness and food-grade quality for shippers who require it."

APL already provides similar maintenance and preparation services in the Chicago yard. But the company can offer enhanced services in Joliet, thanks to a more efficient layout there.

The Port of Brownsville, Texas, initiated a barge transport program aimed at easing highway congestion by moving more cargo from Mexico to the United States on the water.

As APL starts the transition from Chicago to Joliet, Canadian National Railway (CN) and North America Stevedoring Company (NASCO) are working on a new multimodal steel transloading facility in the Windy City. Located near the Port of Chicago and CN's Kirk yard in Gary, Ind., the new site will give shippers access to transportation via rail, truck, intermodal container, inland barge, and ocean vessel.

The joint effort with NASCO is one of several moves CN has made in recent months that rely upon collaboration to provide better service, says Louis-Antoine Paquin, CN's manager of corporate communications.

WORKING TOWARD SOLUTIONS

Another mark of CN's focus on collaboration is a series of agreements it recently forged with the Ports of Halifax, Quebec, Montreal, and Vancouver and their key terminal operators. The agreements provide for better exchange of information and institute metrics for evaluating the performance of all partners.

"In the past, supply chain players were a lot more focused on their own performance," Paquin says. "This led to more finger-pointing than solution finding."

For example, shipping line officials might complain that it was taking too long to unload containers. "The terminal operator would blame the railway for not having enough cars," he says. "Then the railway would blame the terminal operator for not having enough staff to handle the boxes."

CN, the ports, and the terminal operators have developed key performance indicators (KPI) to measure what each partner is accomplishing, so all can better align their efforts. The KPIs show, for example, how many boxes a vessel was supposed to discharge, how many it actually discharged, and how long a specific container sat at a terminal before it was loaded on a railcar.

Intermodal service has improved in recent years and is on track to hit record volumes in the future.

CN has also added new equipment to meet the needs of key grocery products and consumer goods manufacturers and distributors in Canada. In April 2011, the railroad acquired more than 1,000 domestic containers, mainly to accommodate Kraft Canada, Heinz Canada, and Hopewell Distribution Services. About 80 percent of the containers are heated, providing protection for temperature-sensitive loads in the winter.

GOING FOR A RIDE

Along with new containers, CN has augmented its equipment with a container chassis called the EcoRide. CN expects the chassis to reduce fuel on trips to and from its intermodal terminals by eight to 10 percent. The chassis are 15 percent lighter than conventional CN chassis; feature side skirts designed to reduce aerodynamic drag; and use low-rolling resistance tires on each axle, rather than the usual four tires per axle.

"More corporations are trying to limit their carbon emissions," Paquin notes. It already takes 65 percent less fuel to transport a shipment 1,000 miles by rail than by truck, according to the U.S. Environmental Protection Agency. By using the EcoRide chassis for last-mile delivery, shippers reduce fuel consumption and their carbon footprints even further.

As CN works with its seaport partners to increase the efficiency of intermodal transfers on the coasts, terminal operators in northwestern Ohio have introduced new facilities and equipment to speed freight in and out of the interior. One big development this year was the debut of CSX's Northwest Ohio Terminal in North Baltimore.

The new facility, which opened in February 2011, is the cornerstone of CSX's National Gateway project, an $843-million public/private partnership initiative to upgrade CSX's rail network between East Coast ports and the Midwest so the entire system can accommodate double-stack trains.

"We're introducing a new connection point between East Coast and West Coast railroads outside the congestion of Chicago," says Rusty Orben, director of public affairs at CSX. As containers arrive from all over the country, terminal workers can build them into dedicated trains bound for Midwestern cities. By the same token, CSX could bring containers in from those markets, build a train and, on the same day, send that train on its way to a West Coast port.

"The geographic location and efficiencies built into this terminal are game changers," Orben says.

Among those in the region who are excited about the Northwest Ohio Terminal are officials at the Port of Toledo. Although it's about 40 miles from North Baltimore, and the port currently handles few containers, the new CSX facility could create new opportunities for Lake Erie shipping.

"The new facility will bring containers farther inland into Ohio, where they can be reloaded by bulk material manufacturers and shippers, and possibly exported through the Port of Toledo," says Joe Cappel, director of cargo development at the Toledo-Lucas County Port Authority.

TOLEDO GETS A LIFT

The port has made some recent improvements of its own, including last year's installation of a pair of Libherr LHM 280 cranes at Midwest Terminals of Toledo, replacing cranes that had been lifting cargo there since the 1960s.

"The new equipment operates three to five times faster than the old," says Paul Toth, the Port Authority's CEO. "That allows Midwest Terminals to build on business at the port and be more productive and cost-effective."

The cranes could help attract new cargo to the terminal, including containerized cargo, which currently doesn't use Great Lakes ports as a general rule. "We specified these cranes with the capacity and speed to be able to handle containers, which we believe presents an opportunity for the Great Lakes in the next several years," Toth says.

Higher fuel costs make Great Lakes shipping more attractive than highway transportation for containers heading to the Midwest, says Alex Johnson, CEO at Midwest Terminals.

In another move, Midwest Terminals has installed 5,000 feet of new rail and replaced 12,000 feet of existing rail, giving it a total of 17,000 feet served by CSX, NS, and CN. "We've expanded our on-dock rail to accommodate additional railcar storage on site, and we've built into the plan a loop at either end, so unit trains can run through the facility more efficiently," Cappel says.

Intermodal transportation will get a further boost in Toledo upon completion of the new Ironville Terminal on 180 acres that the Port Authority purchased in 2008. A former oil refinery, the site will be served by NS with a 100-car rail loop.

"Acquiring and developing Ironville doubles the size of our general cargo operating area," Johnson says. "We'll do some general handling, but we'd also like to attract maritime-dependent businesses to locate on the site and move recurring shipments through the terminal."

> **"Fuel on the rail is half the price of over-the-road."**
>
> —**Tom Sangelli,** logistics and transportation director, The Container Store

OUTBOUND INTERMODAL

While carriers, port authorities, and intermodal service companies are busy providing more facilities and upgrading equipment, some also are trying to persuade shippers to use intermodal in new situations.

Intermodal service—in the sense of a container transported by rail plus truck—is a good choice because it's less expensive than a truck move alone, says Steve Branscum, vice president for consumer products at BNSF.

And intermodal shippers worry far less about driver shortages and scarce truck capacity. "An intermodal train can handle 250 to 300 truck trailer equivalents per train with a crew of two, as opposed to having a truck driver for every one of those 250 to 300 loads," Branscum says.

But because intermodal service was deemed unreliable in the past, shippers have used it mainly for freight traveling into distribution centers, where safety stock provides a cushion against delay. And intermodal often is not the first choice for those inbound shipments. "Even 'power shippers'—the big users—typically use intermodal for only 25 to 30 percent of their inbound freight," says Branscum.

Intermodal service, however, has improved a great deal in recent decades. "It has become more consistent, faster, and more reliable," Branscum contends.

It also reaches more locations. "All the rail networks in the United States have refined their intermodal networks to serve core major markets. And they've developed significant new capacity in those lanes," he adds.

With railroads better able to deliver containers on schedule, shippers should start moving more of their inbound freight via intermodal, Branscum says. And they also should consider intermodal for outbound moves from DCs to customers or stores.

One shipper that has experimented with outbound intermodal is The Container Store, a vendor of storage and organization products with 49 retail outlets in 20 states. The company was already using intermodal to move product from West Coast ports to its DC in Coppell, Texas, when, several years ago, officials decided to try serving three stores in southern California via intermodal as well.

Concerns about tight trucking capacity played a role in that decision, says Tom Sangelli, The Container Store's logistics and transportation director. So did ever-more-frequent truck breakdowns en route.

"With the economic recession, carriers were pushing equipment further, trying to squeeze out another mile before sending it for maintenance or an upgrade," Sangelli says. Winter weather delays also posed challenges for some markets served by long-haul truck.

But the biggest factors behind the decision were the chance to cut costs and find synergies between inbound and outbound loads. With J.B. Hunt serving as intermodal service provider in both directions, new backhaul opportunities were bound to emerge.

After running the pilot long enough to establish its success, in 2010 The Container Store started working with J.B. Hunt and BNSF to expand the outbound intermodal concept to other markets. Today, The Container Store uses intermodal to distribute to 16 stores, with plans to add more when it opens new outlets in Indianapolis.

It took a while to expand the intermodal concept beyond the three pilot stores because the strategy created a significant cultural shift, Sangelli says. The Container Store maintains a delivery window of plus-or-minus 15 minutes for each store, so containers must arrive exactly when expected. Officials weren't sure at first that intermodal could do the job.

To make everything dovetail correctly, The Container Store and J.B. Hunt built some lag time into their delivery strategy. In the San Francisco store, for example, the unloading appointment is at 5 a.m. "The train gets there the evening before," Sangelli says, leaving plenty of time to get the container from the terminal to the store.

For markets where The Container Store now uses intermodal, the strategy has paid off in lower per-mile charges and, especially, in lower fuel surcharges. "The fuel on the rail is half the price of over-the-road," Sangelli says.

Concerns about breakdowns have also disappeared. When an equipment failure occurs on an intermodal move, it's usually a flat tire on a chassis or other minor headache during the short trip from terminal to store. "They'll just flip the can to another chassis or change the tire, and 99 percent of the time we make the delivery," Sangelli says.

The Container Store will continue to consider outbound intermodal case-by-case, depending on the distance from the DC and the number of stores in the market. "Indianapolis, for example, is a prime location," Sangelli says. "As we add stores like that, we'll definitely consider outbound intermodal."

Other shippers may well follow suit, choosing intermodal in more situations as carriers, terminal operators, and other partners find new ways to make intermodal service more efficient and more reliable. ■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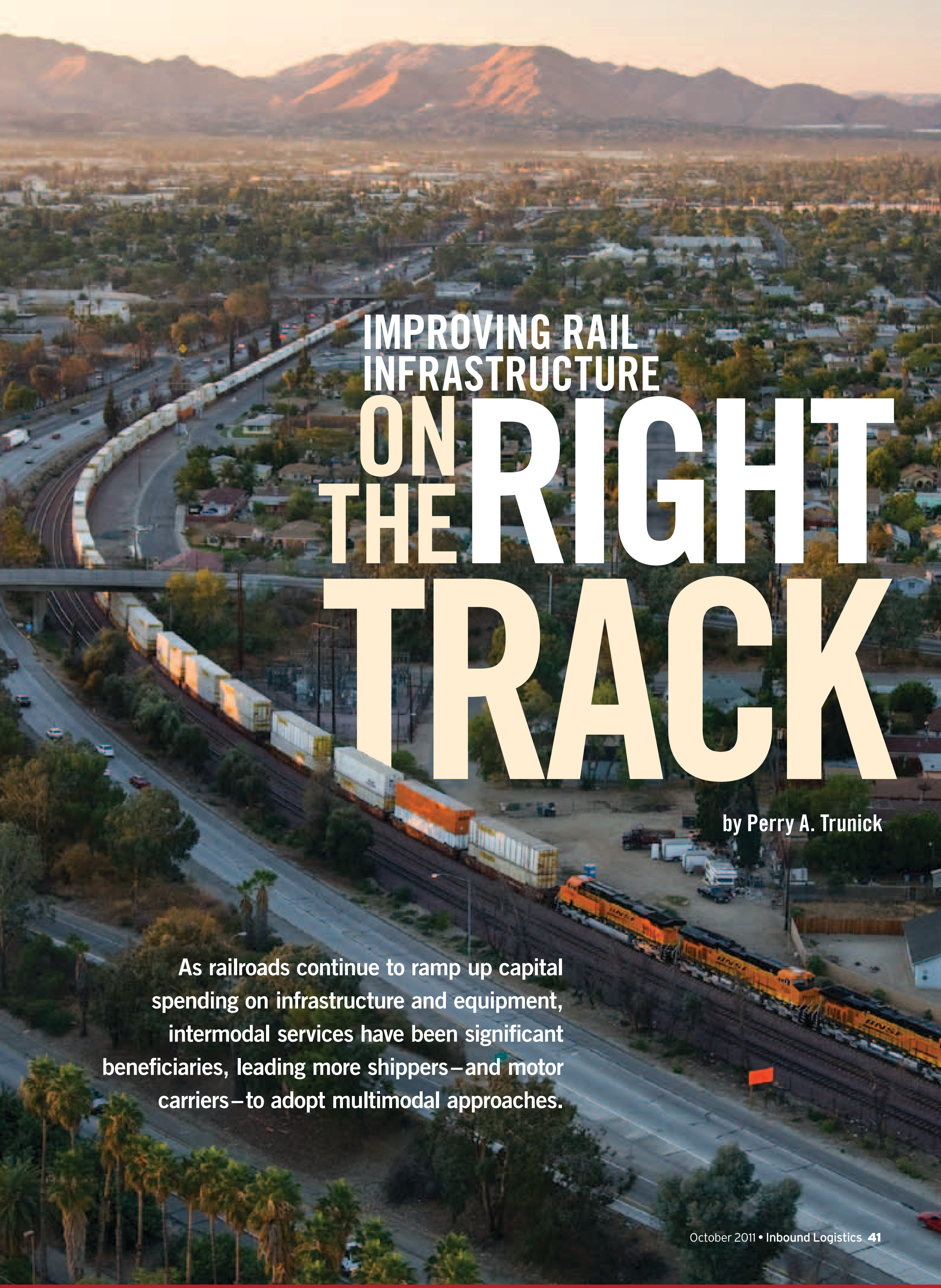


IMPROVING RAIL INFRASTRUCTURE

ON THE RIGHT TRACK

by Perry A. Trunick

As railroads continue to ramp up capital spending on infrastructure and equipment, intermodal services have been significant beneficiaries, leading more shippers—and motor carriers—to adopt multimodal approaches.

The U.S. rail network's 140,000 miles of track could cross the country 47 times. Many changes have affected this extensive system since the 1980's Staggers Act deregulated the rail industry, thanks largely to the $480 billion U.S. freight railroads have invested over the years to maintain and modernize the national rail network (*see Figure 1, below*).

In 2010 alone, the seven largest North American railroads, known as Class I railroads, spent approximately $10.7 billion on capital investments. In 2011, their anticipated spending is $12 billion—approximately 40 cents of every revenue dollar, according to the Association of American Railroads (AAR). Many railroads spend more on their infrastructure than some states do on highways. In 2008, for example, Union Pacific (UP) spent $4.91 billion on infrastructure, while the state of New York spent $3.82 billion on highway construction and improvements (*see Figure 2, next page*).

All that capital investment translates to a more technologically advanced, environmentally friendly, efficient, and competitive transportation system. Here are a few examples of ongoing rail infrastructure projects:

The Chicago Region Environmental and Transportation Efficiency Program (CREATE). Developed to address issues in the nation's busiest rail gateway, this partnership between Illinois; Chicago; Metra, the northeast Illinois commuter rail system; Amtrak; the U.S. Department of Transportation (DOT); and six railroads includes construction of 31 new overpasses and underpasses; enhanced grade crossing safety; and extensive upgrades to tracks, switches, and signal systems. With an estimated cost of $3 billion and target completion date in 2030, the project is expected to create 2,700 jobs, and deliver $1.1 billion in air quality improvements and $595 million in safety benefits.

The Crescent Corridor. This partnership between Norfolk Southern (NS) and 13 states spans 2,500 miles of rail infrastructure. NS expects improvements from the $2.5-billion project will allow it to handle increased traffic more efficiently and remove an estimated one million trucks from congested roads.

Canadian Pacific's (CP) North Dakota project. To support North Dakota's growing ethanol industry, CP will invest $100 million in infrastructure improvements and grow its workforce in the state by 18 percent.

The Transcon Corridor. BNSF has invested $1.8 billion in the corridor, which spans 4,647 miles and 13 states, connecting the ports and markets in California and the Southwest to the Midwest, Texas, and the Southeast.

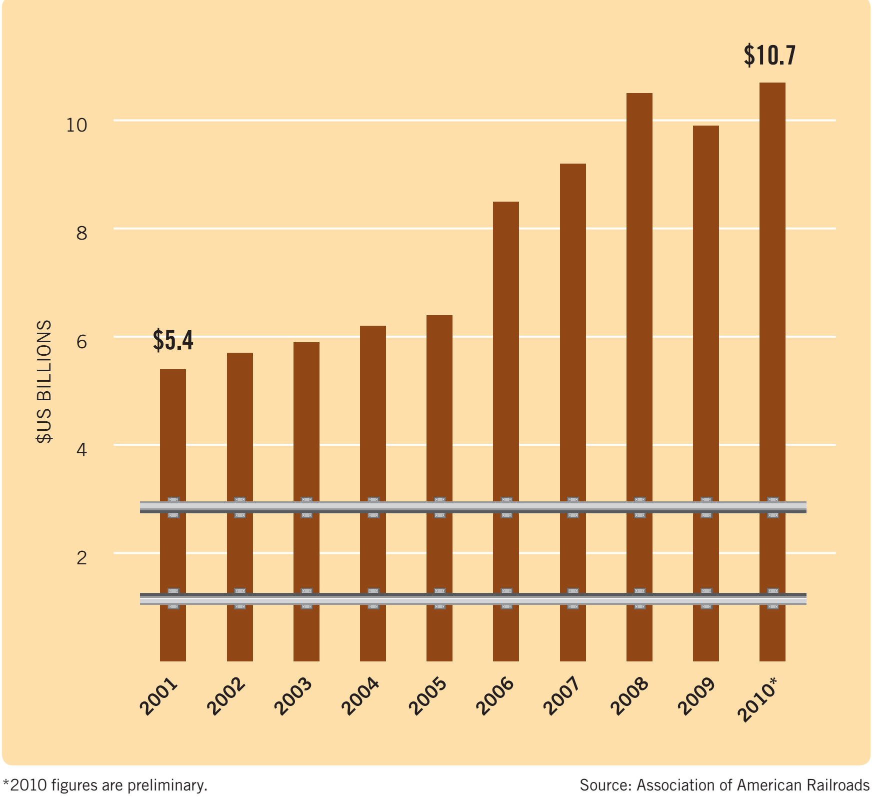
The National Gateway. This CSX project spanning six states and the District of Columbia will improve efficiency and routing in the corridor connecting the mid-Atlantic ports and the Midwest. The price tag is $842 million, and completion is slated for 2015.

UNION PACIFIC'S BIG PLANS

In partnership with New Mexico, UP began a $400-million project to construct a state-of-the-art rail facility

Figure 1 **Class I Railroad Investment**

In 2010, freight railroads spent a record amount on capital expenditures – approximately $10.7 billion to build and expand network infrastructure and purchase equipment. Further, all the major Class I railroads have publicly announced planned capital spending programs in 2011 that will be greater than those in 2010.



*2010 figures are preliminary.

Source: Association of American Railroads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in southern New Mexico to establish Santa Teresa as a key inland port. The project broke ground in August 2011, in part to provide needed expansion for UP's El Paso, Texas, facility. El Paso will continue to operate, says Tom Lange, UP's director of corporate communications.

UP's commitment to intermodal runs deep. Its other recent projects include a $370-million expansion at Joliet, Ill., in 2010. The railroad has added 65,000 domestic containers and has expanded services aimed at competing with single-driver truckload moves from the West to the Midwest. UP estimates there are opportunities to convert 11 million truckloads to rail intermodal, and believes it can compete on time, service, and cost with single-driver truckloads between Los Angeles and Chicago; Chicago and Dallas; northern California and Chicago; and Los Angeles and Dallas.

With a fixed infrastructure, railroads offer finite capacity, but are investing some capital dollars to increase capacity by adding parallel tracks along certain mainlines. Union Pacific, for example, is "double-tracking" its Sunset Route and portions of the Los Angeles-El Paso route.

UP is also looking for other opportunities to double-track, such as in Blair, Neb., located on its Central Corridor. "There are two routes around Omaha," explains Lange. "The Blair route is 25 miles shorter, which saves time and fuel. Double-tracking along that route will also increase velocity."

Another UP initiative is its new Plant-to-Port transportation and transload program, which provides product transfer from covered-hopper unit trains directly to marine containers at the railroad's Yermo, Calif., facility. The program includes double-stack intermodal train service on dock to the ports of Los Angeles and Long Beach.

Plant-to-Port service will initially serve distillers dried grains (DDG) shippers, but it is designed to handle bulk grain and processed grain products.

"The new unit train service provides the first plant-to-port DDG transport solution," says Paul Hammes, UP's vice president and general manager, agricultural products. "The Renewable Fuels Standard mandates increased ethanol production through 2015, and shippers will need export solutions to supply new co-products markets.

"Demand from Asia is driving DDG, grain, and grain products export growth to the West Coast, and UP offers those markets a source of empty marine containers, freight delivery, and throughput capacity," Hammes adds.

Domestic and international intermodal volumes posted solid gains in the second quarter of 2011, according to the Intermodal Association of North America (IANA). Domestic container volume grew nine percent year-over-year—a stronger pace than during the previous two individual quarters, notes IANA's *Intermodal Market Trends & Statistics* report. The rate of increase is especially impressive because it is being compared to the highest gain recorded (16.4 percent), which was posted in second quarter 2010.

Figure 2 **Rail Infrastructure Spending vs.State Highway Agency Spending, 2008** ($US billions)

Texas	$8.40
Florida	$6.24
California	$5.65
Union Pacific	**$4.91**
BNSF	**$4.02**
New York	$3.82
Pennsylvania	$3.77
Illinois	$3.50
Georgia	$2.84
North Carolina	$2.71
CSX	**$2.70**
Michigan	$2.52
Norfolk Southern	**$2.48**
Virginia	$2.39

Includes capital outlays and maintenance expenses.

Sources: Federal Highway Administration, AAR

CLASS II, NOT SECOND CLASS

North America's Class I railroads may get the majority of the attention when it comes to rail freight volumes and infrastructure spending, but Class II short lines and regional railroads account for 33 percent of U.S. freight rail mileage and 11 percent of rail employees. The more than 550 short line and regional railroads operate in every state except Hawaii, according to the AAR. These railroads often feed traffic to Class I railroads and

Union Pacific has made significant capital investments in its tracks, terminals, and other infrastructure to improve service, safety, efficiency, and fluidity. The investments have also boosted the rail's intermodal capacity.

Bringing Intermodal to Bear

Less-than-truckload (LTL) shippers are also users of truckload services, according to Chris Kilker, head of intermodal services at transportation provider Averitt Express, Cookeville, Tenn. "Some shippers may not have looked at domestic intermodal for cost or capacity," he notes.

Averitt Express operates out of 30 ports with consolidation and deconsolidation operations to provide import/export intermodal services. For domestic shippers, it can also perform pool distribution–condolidating five or six large moves into one. A distance of 1,000 miles is ideal.

The company's Memphis less-than-containerload (LCL) service moves containers that have been loaded with multiple customer shipments in Asia through the West Coast ports, then to Memphis by rail to be deconsolidated for delivery. The keys are shorter transit times and predictability, says Kilker.

Rail intermodal capabilities have truly evolved during Averitt Express' 40-year lifetime. Rail lengths of haul are getting shorter in some cases as railroads find ways to improve efficiency and returns on shorter hauls. But there is a natural split, suggests Kilker. Eastern railroads are able to be effective in shorter hauls – as short as 450 to 500 miles – in part because of the focus on some corridor projects. Where lane densities and infrastructure capabilities match up, shorter hauls can work.

Rail intermodal won't replace local or most regional services offered by truck, but there are certainly more places where intermodal is working to support trucking. "Averitt will continue to look at where intermodal can help with its LTL business," Kilker says. "Where intermodal doesn't negatively affect LTL services, Averitt is bringing it into play for customers."

The days when a company such as Averitt could look at its different services as separate are gone. The modes aren't separate either, Kilker notes. The goal from both an operational and customer-facing perspective is a one-stop approach that seeks to provide the right balance of service and cost.

receive traffic from Class I's for final delivery. They operate 45,187 miles of track, compared with 93,921 miles operated by the Class I's.

Growth poses a challenge for smaller railroads, according to Steve Wait, executive director of business development for the Cleveland Commercial Railroad Lines. "Class I railroads such as CSX and Norfolk Southern work with as many as 250 short line railroads," Wait told executives at the Northeast Ohio Trade and Economic Consortium's annual logistics conference. "Getting time to talk about innovation and new opportunities can be difficult when you are one of 250 small, niche suppliers."

Nonetheless, that's just what Wait and his railroad are looking for. Working with the Port of Cleveland, Wait hopes to create the Cleveland Harbor Belt Railroad to facilitate switching on the dock at the port.

A larger short line railroad, the Florida East Coast (FEC) Railway, operates 351 miles of mainline track and 60 percent of its business connects to Class I railroads, according to James Hertwig, FEC's president and CEO.

"With its second-day service through Charlotte or Atlanta, many of FEC's loads are coming from motor carriers–a large number of which are owner operators," Hertwig says.

"Because South Florida is not a manufacturing center, truckers have one northbound load for every four southbound loads," he adds. "FEC hauls back the empties."

But the railroad doesn't look at its intermodal business as strictly northbound or moving empties. In true intermodal fashion, it hauls loads on its trucks from Savannah to its own ramp for a rail move, for instance. FEC is also developing capabilities at the Port of Miami and Port Everglades.

"The $50-million railway project at the Port of Miami is a small part of a larger development," says Hertwig. The railroad sees it as a vital link to the national rail network, which will grow increasingly important as larger freighters begin passing through the expanded Panama Canal and calling at U.S. East Coast ports–including Miami. The first train is expected to run on the rebuilt track at the Port of Miami by mid-2012, well ahead of the expanded Panama Canal opening in 2014.

"One train will be roughly equivalent to 280 trucks," Hertwig says. "FEC could be hauling as many as 40,000 to 60,000 containers out of the Port of Miami and Port Everglades." That volume accounts for 10 percent of the Port of Miami's current throughput, and could grow to 15 percent after the opening of the Canal's expansion.

This connection will be attractive to ocean carriers, suggests Hertwig. But because South Florida is a large consuming market, all this rail service won't eliminate local dray operations.

REGIONAL DEVELOPMENT

Railroads have always been important to regional development. One regional development group that has matched its logistics growth to larger goals is Kansas City. The KC SmartPort capitalizes on its logistics strengths to attract logistics business and support other businesses it recruits to the area.

Served by nearly every Class I railroad, KC SmartPort has four intermodal parks: CenterPoint Intermodal Center, KCI Intermodal Business Centre, Logistics Park-Kansas City, and Northland Park.

BNSF has tripled its capacity at Logistics Park-Kansas City. The combined 1,000-acre development includes the BNSF intermodal and vertical-ready sites, offering seven million square feet of warehouse and distribution space. And, Phase 1 of the 800-acre KCI Intermodal Business Centre is ready for vertical development on a total of 140 acres.

In addition to substantial infrastructure investment, the area is seeing the introduction of new intermodal rail services. Swift Transportation announced a new container-on-flatcar intermodal service to and from Mexico with rail partner Kansas City Southern (KCS) and its Kansas City Southern de México S.A. de C.V. subsidiary. Swift, which owns more than 6,000 53-foot containers equipped with GPS satellite tracking systems, will continue to offer its trailer-on-flatcar service to and from Mexico.

MOTIVATING FACTORS

A number of factors—potential truck driver shortages, possible Hours-of-Service rule changes, and new truck safety compliance regulations—are driving interest and investment in intermodal projects. Even without a significant improvement in the U.S. economy and consumer buying trends, motor carrier rates are beginning to rise. UPS Freight got out in front of the industry with its recent general rate increase, averaging 6.9 percent and covering non-contractual shipments in the United States, Canada, and Mexico.

The first rate increases typically set a market expectation, and others pick their positions relative to what they see in these early announcements.

Spot market rates were trending up in mid-September 2011 after two months of seasonal decline, according to transportation data and technology provider TransCore Freight Solutions' Truckload Rate Index. Van rates were already up 3.1 percent compared to August 2011, and reefer rates had rebounded 2.6 percent.

Rates, and a desire to reduce transportation costs, motivate many shippers to step up their use of intermodal services. Some macro issues come into play as well, however, says David Bennett, USA director of sales for global multimodal provider Geodis Global Solutions.

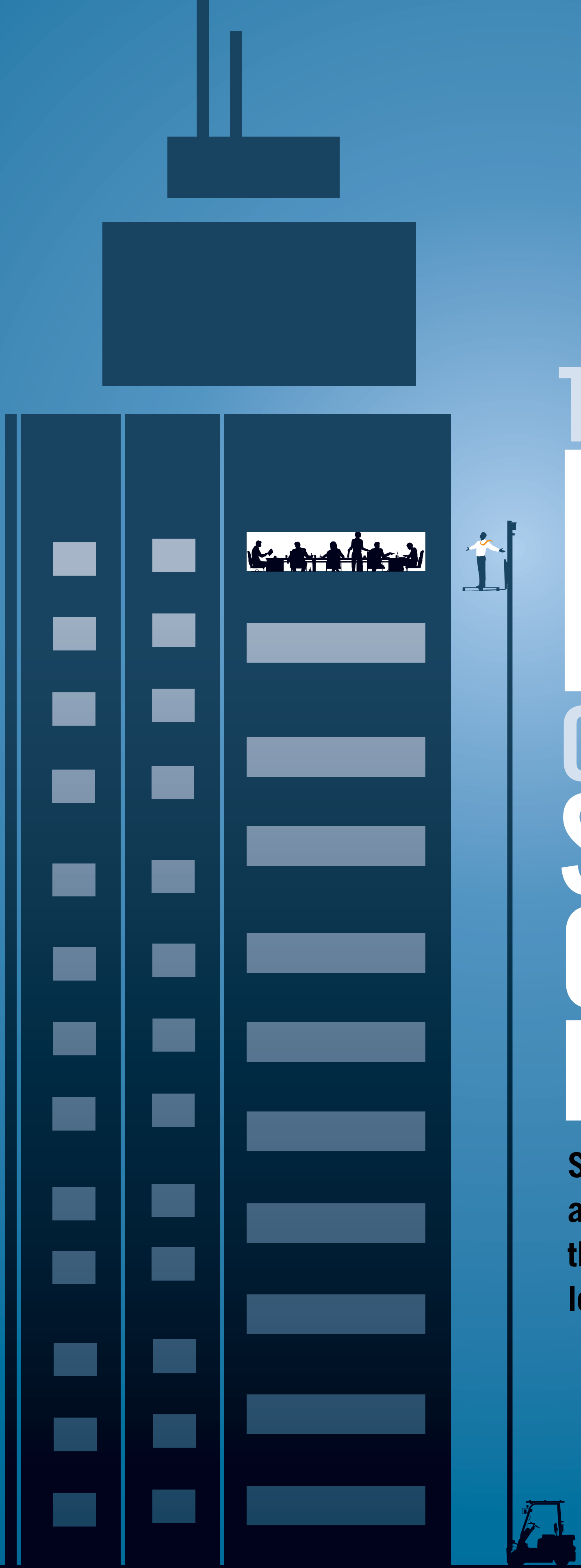
"Domestic intermodal demand will increase as ocean carriers force customers to seek port-to-port alternatives," says Bennett. "A few years ago, carriers stopped offering 'door service' to several intermodal destinations because the cost of repositioning empties from these areas was adding financial pressure.

"As capacity increases and vessels grow larger, carriers will feel pressure to turn equipment much quicker, or they will be faced with severe equipment shortages on the key head-haul lanes," he adds.

There is a growing theory that ocean carriers in the Transpacific will adopt a similar model to the one deployed in Europe: port-to-port only. "As this happens, shippers with distribution points in the Midwest, and other points such as Memphis, will be forced to the West Coast transload model, which will increase demand for domestic intermodal services," Bennett says.

Domestic intermodal providers are gearing up for this increase in demand, and new equipment is entering the market at a rapid pace.

By all accounts, intermodal growth and the infrastructure investments to support it, are, at best, just trying to keep pace with demand. ■



THE RISE OF THE SUPPLY CHAIN EXECUTIVE

By Merrill Douglas

Supply chain professionals get a lift as more companies grow to appreciate the strategic value of a well-run logistics operation.

THINK THE CENTER OF SUPPLY CHAIN ACTION THESE DAYS IS ON THE loading dock, or in a back office crammed with computers? Think again. As corporate leaders come to understand the critical role supply chain operations play in a company's success, logistics is an increasingly frequent topic of boardroom discussions–and it is becoming common to find executives with supply chain or logistics titles holding a seat at the conference table.

"Companies are now vesting more power and responsibility in their supply chain executives," says Bob Heaney, senior analyst in the supply chain management practice at Boston-based Aberdeen Group.

Whether those high-ranking supply chain officials carry the title chief supply chain officer (CSCO), or joined the ranks as senior or executive vice president, one thing is certain: logistics leaders are influencing and even making their organizations' high-level operations decisions.

"The responsibilities are typically the same for a CSCO and other high-level supply chain leadership titles," says Neil Collins, partner and co-leader of the transportation and logistics practice at Heidrick and Struggles, an executive recruiting firm in Atlanta. The specific title says more about a corporation's naming conventions than about the power invested in the executive who holds it.

"What's important is not whether you have a 'C' in your title, but whether you have an audience with the corporation's key decision-makers," Heaney agrees. "Are you treated as their equal? Are you in the know when major structural changes take place within the organization?"

One reason more supply chain executives are moving into the C-suite is a growing belief that a well-run supply chain drives success not just by controlling costs, but by creating value. Supply chain improvements help increase revenues, according to 80 percent of top supply chain executives surveyed for a study published in early 2011 by SCM World, a London-based educational institute. Sixty-one percent said that supply chain improvements help their companies make long-term equity gains such as better customer service and increased customer loyalty.

To demonstrate how companies use their supply chains to generate value, Reuben Slone, executive vice president, supply chain, at OfficeMax in Naperville, Ill., and co-author of *The New Supply Chain Agenda: The Five Steps That Drive Real Value*, cites the example of Walmart. When the big-box retailer decided to add groceries to its product mix, it used its well-honed supply chain as a weapon in a successful bid to dominate the supermarket sector.

"They looked at selling groceries from a distribution standpoint, as opposed to a grocer or merchant standpoint," Slone says. Walmart's sophisticated point-of-sale and replenishment systems allowed it to keep prices low while selling high-quality merchandise, catching rivals such as Kroger and Safeway off-guard, he says.

CONSOLIDATING THE LINKS

To support strategies of this kind and create as much value as possible, companies are using the CSCO position to consolidate all the activities that make up supply chain operations. But this wasn't always the case. As recently as 2000, most companies treated the elements of supply chain management–supply and demand planning, procurement, manufacturing/operations, and logistics–as separate disciplines, according to *The New Path to the C-Suite*, a paper by Boris Groysberg, L. Kevin Kelly, and Bryan MacDonald published in the March 2011 *Harvard Business Review*.

That approach has started to change. "More and more companies look at supply chain management holistically," says Groysberg, professor of business administration at the Harvard Business School.

Those firms have designed the CSCO role to give one executive a comprehensive view of all supply chain activities. Globalization, longer lead times, higher transportation costs, and the need to support multiple sales channels all have made supply chain a bigger element of a company's overall operating costs, Heaney says. That increase makes it more important than ever to orchestrate a company's various supply chain functions so that a decision in one area–for example, to build more distribution centers–doesn't create unintended negative consequences in another, such as the company's inventory position.

(Continues on page 54)

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The End-to-End View: A Logistics Professional Climbs to Leadership

It takes a broad perspective to oversee a company's supply chain from end to end, and Reuben Slone's background provides the right vantage point.

Reuben Slone, executive vice president, supply chain for Naperville, Ill.-based office products company OfficeMax, trained as an engineer at the University of Michigan, and completed the school's requirements for a philosophy degree. In his early career, he applied his background in kinematics, dynamics, and controls, as well as his knowledge of computer-aided design (CAD), in the auto industry. His projects included re-engineering General Motors' product development process, working on concept cars that became the Chevrolet Geo Tracker and the Saturn Vue, and helping to redesign Ford's Econoliner van.

Reuben Slone

Slone has also worked as a management consultant for Ernst and Young; led strategy, information technology, and distribution for auto components manufacturer Federal-Mogul; managed e-commerce for GM and Whirlpool; and run Whirlpool's North American supply chain.

The path Slone took from the CAD workstation to the lead supply chain management position at OfficeMax might not look like an obvious one, but there's logic behind his progression. "The systems thinking that I've learned in my philosophy studies and in product development applies to supply chain work," he says.

Slone's responsibilities at OfficeMax include inventory management, replenishment, imports, supplier management, transportation, warehousing, and strategic sourcing, which involves purchasing products that the company uses internally, rather than sells. "I also run our services business unit, which has three components: print and copy, managed print services, and business-to-business technology sales," he says.

In the years since he got his first taste of supply chain work while supporting distribution at Federal-Mogul, Slone has witnessed a good deal of evolution. "The understanding of supply chain and its strategic role in business is changing for many supply chain-intensive industries and companies," he observes. Those companies are elevating their top supply chain executives to positions that report directly to the CEO or president of the business unit.

"In supply chain-intensive companies, such as retailers or manufacturers, CEOs are coming to understand that one aspect of creating value is supply chain," Slone says. "It's not simply a function in which you want to have minimal costs. It's a function that you want to leverage strategically."

During his own career, Slone has seen the role gain stature and, at the same time, broader scope. He conjectures that two dynamics are at work. "There's a desire to make the role more important, so you put more content in it in order to attract better talent," he says. "And also, we need someone who's accountable for all these functions and how they interact."

A company that elevates its supply chain leader gains an executive who thinks about how to integrate all the disciplines under that umbrella to drive results. "A great supply chain leader coordinates the interfaces between functions. And when it's done right, the supply chain partners closely with the chief information officer, who enables information flow and management," Slone says.

That sort of integration brings a company several benefits. One is availability. "We can deliver to the customer what is needed, when it's needed," Slone says. "And we can do it efficiently, without a lot of inventory in the system."

The end-to-end view of the supply chain also helps companies reduce the total cost of goods. "If I can reduce the part count in the finished product, even if some parts are of higher value and therefore cost more, overall, the product has a lower total cost," he says. That sort of insight comes from integrating sourcing with product design.

At OfficeMax, one of Slone's contributions is his ability to understand how various pieces of the company fit into a bigger whole–"a synthesis perspective vs. an analysis perspective," he says. "Is that because of how I think? Is it because I'm in supply chain or have a lot of supply chain experience? I'm not sure how I can separate the two."

This end-to-end insight enables Slone to apply big-picture perspective to supply chain details.

> "CEOs are coming to understand that one aspect of creating value is supply chain. It's not simply a function in which you want to have minimal costs. It's a function that you want to leverage strategically."


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> What's important is not whether you have a 'C' in your title, but whether you have an audience with the corporation's key decision-makers. Are you treated as their equal? Are you in the know when major structural changes take place within the organization?"
>
> —Bob Heaney, Aberdeen Group

(Continued from page 50)

"Now that inventory and distribution often fall under the same umbrella, decisions have to balance the impacts on both groups," Heaney says. "Elevating an executive to chief supply chain officer is one way to achieve the balance."

The same kind of logic applies to sourcing in a global marketplace. "There's a balancing act between the price of the product itself, and the transportation and inventory that needs to be in the pipeline," Heaney says. "By centralizing control of those factors in one position, companies achieve a better balance and make more prudent decisions."

One more reason behind the elevation of supply chain executives is the increasing importance of sustainability, according to Groysberg, Kelly, and MacDonald. "Companies are finding that they can create value by executing and sharing sustainability strategies throughout their supply chains, from suppliers to customers," the authors write. Charging a CSCO to head those efforts makes it easier to collaborate across the enterprise, with the goal of operating a more eco-friendly company.

THE TOP-TIER TOOLBOX

Along with conferring a broader range of responsibilities, the CSCO needs to possess a wider variety of competencies than supply chain executives lower in the pyramid. Collins identifies the following five important characteristics of a CSCO:

1. **FINANCIAL SAVVY.** That includes understanding the profit-and-loss levers—the cost of goods and operating margins—because they have such an impact not only on the top line, but on the bottom line of the organization.

2. **TECHNOLOGICAL KNOW-HOW.** CSCOs must grasp the importance of using technology to gain end-to-end visibility across the supply chain. Not only do they understand information technology, but also how to leverage IT as a strategic tool for transparency across the supply chain to make smarter decisions.

3. **LEADERSHIP.** The ability to direct large numbers of people working at different levels, doing different kinds of work at multiple locations, is key.

4. **CULTURAL SAVVY AND A STRONG INTERNATIONAL PERSPECTIVE.** Today's global supply chain demands insight into world markets.

5. **CHANGE MANAGEMENT SKILLS.** Supply chain leaders need to be agile and flexible in the way they think and execute.

A CSCO must possess "soft skills," such as problem-solving, as well as traditional operational skills. But this doesn't mean that operational skills are less important than in the past. "It's not that the pie is being divided differently," Groysberg says. "The pie is actually growing. Operational excellence is more important now than it was 10 years ago." But as the head of a large, often multinational organization, a CSCO also must be a talented leader, a change manager, and a strategic thinker.

Supply chain leaders who develop broader skill sets and assume more wide-ranging responsibilities may also rise even higher than the CSCO's chair. "We will see more supply chain leaders break through into the CEO or divisional president role," Collins says.

In the days when companies put different people in charge of planning, procurement, manufacturing, and logistics, none of those executives gained a view of the entire operation. "By definition, they weren't capable of stepping into a much broader general manager's role," Collins says. That is changing. More executives with supply chain backgrounds are becoming chief operating officers, presidents of large corporate divisions, or CEOs of smaller, private corporations.

The broader perspective and experience that CSCOs gain also makes it easier for them to move among different verticals—say, from a consumer packaged goods firm to a technology manufacturer. Companies may look to other industry categories for executives with fresh perspectives on subjects such as supply planning and global manufacturing. "Sectors are much more open to infusing talent from other sectors, as long as they've got that leadership expertise," Collins notes.

As increasing numbers of supply chain executives gain that broad expertise, look for more of them to rise from the back room to the C-suite. ■


Shipments
Forklifts
Bar Codes
Transportation
Trucks
Routing (GPS)

MOBILE COMMUNICATIONS:

MANAGING SUPPLY CHAINS ON THE GO

Mobile devices and applications have become the go-to tools for logistics and transportation professionals looking to stay connected and manage their supply chains from anywhere. By Amy Roach Partridge

In a field that is all about getting goods where they need to be quickly and cost-effectively, it's no surprise that mobile applications and devices are fast becoming must-have tools for logistics, supply chain, and transportation professionals.

A range of new supply chain mobility devices and applications helps companies do everything from track assets and shipments, to execute transactions and processes, and collaborate with internal and external partners. Tapping into these tools helps logistics executives improve supply chain functionality, productivity, and efficiency—no matter where they are.

ORIGINS IN THE WAREHOUSE

The mobility trend began with the use of handheld mobile computers in warehouse and distribution environments, and has since achieved widespread adoption.

"Multi-purpose, ruggedized mobile devices work well in distribution environments because they allow warehouse workers to be agile and productive, accomplishing various tasks and processes without being tied to a specific station or area," explains Bruce Stubbs, director of industry marketing for Intermec, an Everett, Wash.-based manufacturer of mobile devices such as handheld computers, bar-code printers, scanners, RFID tags, and voice solutions. Mobile devices can boost picking and packing productivity and accuracy, and help provide a safe, ergonomic, hands-free environment for workers—ultimately resulting in improved customer service for end users.

The newest ruggedized, handheld mobile computers boast an array of functionalities for improved warehouse productivity and flexibility: 1D and 2D bar-code scanning at both close and long ranges; built-in cameras; RFID capabilities; and voice-enabled functionality. And the current generation of mobile "smart" printers contains built-in intelligence that enables them to produce labels without being hardwired to a computer system.

But the newest trend in the distribution sector is what Stubbs calls "total mobile solutions." Instead of opting for just one mobile device, companies are embracing a suite of mobile tools that work together to boost warehouse performance.

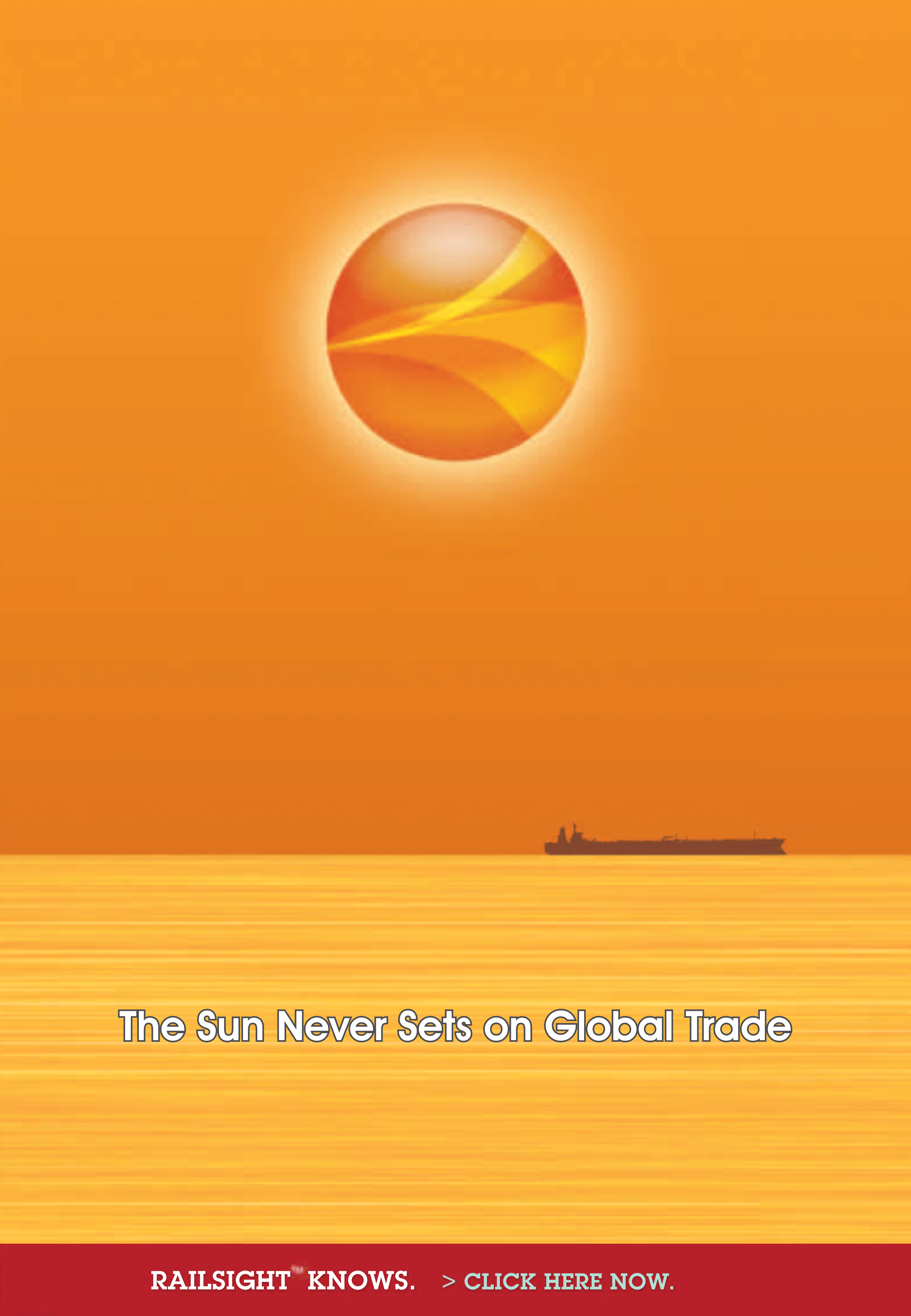
"Many companies are combining mobile computers and scanners with mobile printers; or pairing voice solutions with mobile printing; or using mobile computers with voice capabilities instead of a dedicated voice device," Stubbs explains. This approach cuts down on workers having to travel back and forth between fixed stations and instead allows them "to take the process to the product," he notes.

Handheld mobile computers, such as those marketed by Intermec, can help boost warehouse productivity and flexibility.

THE RISE OF THE SMARTPHONE

Supply chain professionals' increasing use of commercial-grade smartphones such as BlackBerrys, iPhones, and Androids—as well as tablet computers including the iPad—may be encroaching on the turf of these ruggedized devices. Smartphones are the most widely used mobile device in supply chain and logistics operations, according to a recent survey by market research firm ARC Advisory Group. Handheld computers rank second (*see chart, page 60*).

Durable, consumer-grade devices such as smartphones and tablet computers also carry great potential for warehouse applications, says Tim Zimmerman, research director at technology research firm Gartner Research. With their increasing capabilities, lower price points, and greater user acceptance, these devices may become as ideal for distribution environments as ruggedized handhelds have traditionally been.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"Consumer-grade devices are taking over tasks that have historically been limited to ruggedized devices," Zimmerman explains. "They are not only durable, but now commonly offer functionality previously reserved for ruggedized devices: long-lasting battery life; backup for batch functionality; full keyboard capability for input; bar-code scanning and sophisticated digital cameras; as well as speech recognition functionality for hands-free operations."

In addition, the lower price point for the devices and service, as well as the widespread user acceptance, make smartphones and tablets especially attractive, he notes.

But Intermec's Stubbs disagrees. Smartphones do provide good functionality for distribution, he admits, but most are not rugged enough to stand up to the rigors of a typical distribution environment.

This is where special ruggedized smartphones stand out. Like regular smartphones, they allow DC managers and supervisors to access information in their supply chain systems or host business systems, and can perform scanning and signature capture. Ruggedized phones are built to withstand tougher physical conditions, however, such as elevated drops to concrete and extreme temperatures. These capabilities make them more versatile than traditional smartphones.

While smartphones and tablets are less expensive to purchase than specialized handheld computers, the total cost of ownership may be higher. "Ruggedized devices last for five to seven years in harsh environments," Stubbs explains. "If you consider the number of times you'd have to replace a commercial-grade device in that time frame, the cost difference is not so great."

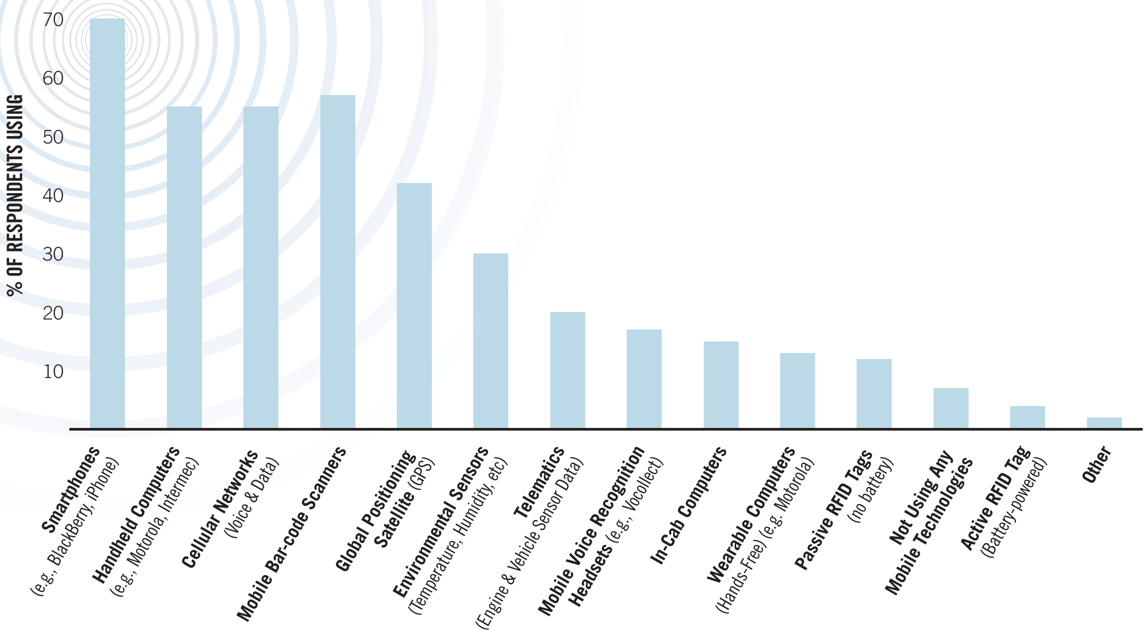
AN INDISPENSABLE TOOL

Outside the distribution environment, there is less debate—smartphones are taking over in terms of mobile supply chain access.

"Smartphones are fast becoming a ubiquitous computing platform," explains Adrian Gonzalez, who conducted the ARC survey and is now director of the Logistics Viewpoints blog. "Supply chain and logistics professionals rely on smartphones to tap into enterprise applications such as enterprise resource planning or transportation management systems; track shipments and assets; and access reports and business intelligence."

Mobile Technology at Work

Smartphones lead mobile technology usage in supply chain and logistics operations, according to an ARC Advisory Group survey.



Source: ARC Advisory Group

As such, supply chain software vendors are increasingly developing mobile and tablet versions of their enterprise solutions so users can access reports and dashboards on mobile devices.

Third-party logistics (3PL) providers are also developing smartphone applications to help increase mobile data access for their shipper clients. Chicago-based 3PL Echo Global Logistics, for instance, recently launched EchoTrak Mobile, a mobile app for iPhone, iPad, and Android devices that lets users track and trace shipments, get rate quotes, and receive shipment notifications. Shippers using the app now have access to the same real-time shipping data that was previously available only through the EchoTrak online portal.

"Today's fast-paced logistics environment demands tools that let companies work efficiently," says Echo Global CEO Doug Waggoner. "Our app is designed to provide shipping data to any user who is not sitting in front of a computer terminal all day."

Within one week of EchoTrak Mobile's release, nearly 2,000 of EchoTrak's 24,000 users downloaded the app, Waggoner notes. The company is already working on the app's second phase, which will offer carrier-facing functionality.

MOBILITY IN THE SUPPLY CHAIN

Supply chain professionals are flocking to smartphones, handheld computers, and other mobile devices to reap the benefits of improved mobility and flexibility. "These mobile technologies facilitate tracking, communication, and process execution," says Gonzalez.

"Enhanced productivity is the primary benefit of mobile technologies," he adds. "Most workers today are untethered. They want access to information and the ability to execute transactions wherever they are."

In addition, mobile devices can provide truck drivers and field or sales personnel with the same outside-the-office access. "Being able to gain order and shipment status visibility ultimately improves customer service," Gonzalez says.

The Panasonic Toughbook U1 mobile computer helped distributor Labatt Food Service improve driver-to-dispatch and transportation-to-sales communication.

Transportation is another area where mobile device popularity is surging. On-board or in-cab computers are rapidly becoming a common sight inside trucks, helping perform processes as varied as signature captures for proof of delivery and calculating driver hours of service—and even keeping track of trucks themselves.

"The cost for on-board computing has dropped, and the functions drivers can perform in the cab have expanded," says Dwight Klappich, research director at Gartner. "The technology now allows for real-time automated vehicle locating, for example, which provides dispatchers with more accurate and timely information about where their assets are at any given time."

The systems can also capture real-time traffic information and suggest alternate routes to avoid delays, or provide geo-fencing to automatically confirm an appointment once a truck moves within a certain mileage of a DC. "This type of functionality enhances customer service because carriers can better project actual arrival times," Klappich explains.

Providing more accurate estimated arrival times (ETAs) was one goal of Texas-based distributor Labatt Food Service when it implemented a mobile computing solution for its nearly 400 truck drivers. Looking for a solution that boasted the trifecta of navigation and messaging capabilities; the ability to capture engine data and telemetry, customer interaction, and hours-of-service information; and the durability required to operate reliably in the high-vibration environment and extreme heat and cold often found in truck cabs, Labatt chose the Panasonic Toughbook U1 mobile PC.

Labatt wrote proprietary software to bridge the data flowing from the mobile computers to its enterprise systems, and selected AT&T as the mobile broadband network provider.

"The U1 combines the portability of a handheld computer with the benefits of a full Windows operating system; has a daylight-viewable touchscreen and embedded mobile broadband and GPS; and is easy to use," says Blair Labatt III, project lead, Labatt Food Service.

With the new solution, Labatt has reaped significant benefits, including having near-real-time access to information from the field, which allows more timely data analysis and more accurate ETAs for its customers. The new solution automatically logs route data and customer interactions, eliminating the time drivers spend entering data manually at each stop and reentering paperwork at the distribution center.

The embedded GPS has also allowed Labatt to optimize its delivery network, significantly reducing the amount of fuel it consumes, which saves money and reduces its carbon footprint. And the company has seen improved driver safety, thanks to the ability to analyze data on driving patterns and hours-of-service reports.

"Overall, the Toughbook U1's reliability has allowed Labatt to focus on strategic growth issues that can further improve the service we offer to customers," says Labatt III. "And, we have already seen marked improvement in driver-to-dispatch and transportation-to-sales communication."

NES Rentals Holdings monitors its inventory by scanning equipment location data into a mobile asset-tracking system.

WHERE ARE MY ASSETS?

Another supply chain functionality being enhanced by mobile devices is asset tracking and management. Mobile RFID devices and bar-code scanners are gaining traction in this arena as a way for companies to keep tabs on transportation assets and high-value equipment.

One such company is NES Rentals Holdings Inc., a Chicago-based firm that rents aerial equipment such as cranes, booms, scissor lifts, and rough-terrain forklifts to industrial and construction customers. The company recently adopted a GPS TimeTrack mobile enterprise app and secure, cloud-hosted management application from Xora, a mobile application developer located in Mountain View, Calif. The solution has become a key component of an asset-tracking system that NES Rentals uses to electronically track its inventory of nearly 20,000 pieces of equipment.

Because of the large equipment volume the company rents at locations nationwide, it needed a mobile asset-tracking system to monitor inventory.

"Our drivers and mechanics scan equipment whenever it transitions from one place and one status to another – for example, from maintenance to ready-to-rent, or from a customer site back to a branch location," explains Phyllis Nykamp, director of IT at NES Rentals.

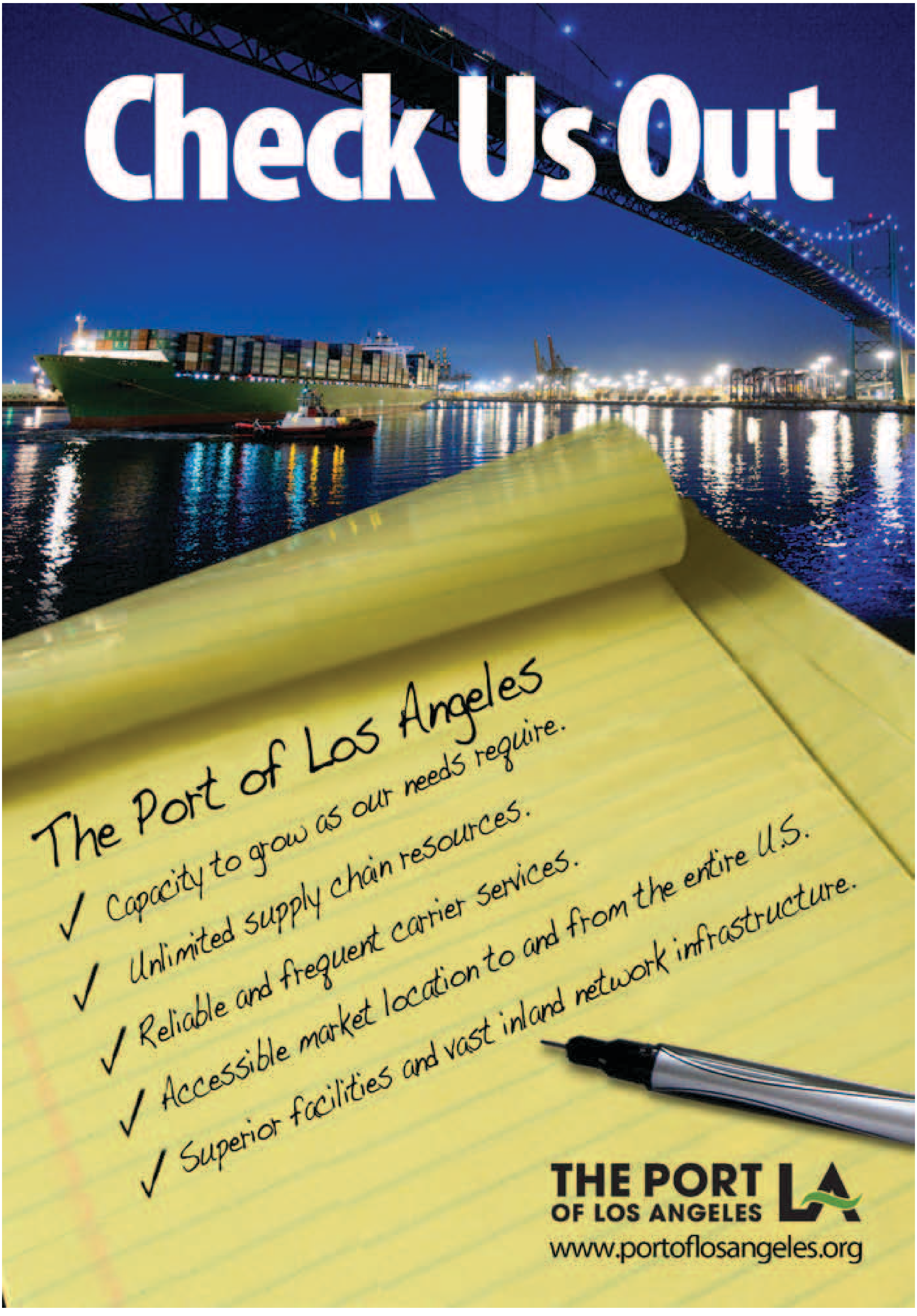
Once the equipment is scanned, the Xora mobile app automatically transmits the data to the Xora cloud-hosted management application, which is accessible via a PC or any mobile device with a browser. "Now, when customers call from a job site and need a piece of equipment right away, a branch manager can quickly tell them whether we have it and how long it will take us to deliver it," says Nykamp.

The system has helped NES Rentals increase efficiency, and has also given it a competitive advantage, says Ananda Rakhit, vice president and CIO for NES Rentals. Integrating Xora data with its back-office systems gives NES Rentals the ability to generate a comprehensive view of the business' operational performance.

And, because it helps the company provide instant communication to notify customers when a piece of equipment has been delivered, the Xora integration has given NES Rentals a leg up on its competition. "None of our competitors are able to do that," Rakhit says. "It is a clear differentiator."

That sentiment may be echoed through the logistics realm. The myriad mobile devices that are currently gaining favor in the supply chain are all about helping companies in their never-ending quest to get the right product to the right place at the right time.

Now, that task can be attempted and perfected from nearly anywhere. ■



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LEAN SUPPLY CHAIN

RISING TIDE

INBOUND LOGISTICS' 2011 **OCEAN CARRIER** GUIDE

IN HIS 2010 STATE OF THE UNION ADDRESS, PRESIDENT OBAMA announced a goal: to double U.S. exports over the next five years. For ocean carriers, this goal signaled the need to prepare their fleets and operations for increased volumes—in a different direction.

Shipping lines are also preparing for the Panama Canal expansion opening, scheduled for 2014, by planning route changes and adding bigger vessels to take advantage of the Canal's larger locks and newly dredged, deeper port channels.

With the ocean shipping market changing rapidly, it's vital that shippers familiarize themselves with the industry's players. *Inbound Logistics'* annual Ocean Carrier Guide offers an overview of some leading steamship lines' assets and capabilities, so shippers can be ready to meet the challenges and make the most of opportunities on the horizon.

Atlantic Container Line (ACL)

800-ACL-1235 **www.aclcargo.com**

PARENT COMPANY: Grimaldi Group

Since 1967, ACL has operated as a specialized carrier of containers, project and oversized cargo, heavy equipment, and vehicles in the Transatlantic trade, with the world's largest combination roll-on/roll-off (Ro/Ro) containerships. Headquartered in Westfield, N.J., the company maintains offices throughout Europe and North America. ACL offers five Transatlantic sailings each week, as well as a direct Ro/Ro container service under its parent company, Grimaldi Group, between North America and West Africa. The company also offers through-service for non-containerizable cargo to the Mediterranean, Middle East, South Africa, Australia, and the Far East.

WEB TOOLS: Booking and rate requests, express documentation.

FLEET SIZE: Five G-3 vessels operate in the core North Atlantic service and various vessels are time-chartered to the Grimaldi Group.

CUSTOMER AWARDS: Premier Partner Award, Honda.

WHAT'S NEW: ACL now offers Ro/Ro services from North America to any part of the world.

APL

800-999-7733 **www.apl.com**

PARENT COMPANY: NOL Group

LOGISTICS DIVISION: APL Logistics

Founded in 1848, APL is a global container shipping business offering more than 80 weekly services and 500 calls at more than 140 ports worldwide. It combines intermodal operations with information technology and e-commerce. APL is a unit of Singapore-based global shipping and logistics company Neptune Orient Lines (NOL).

WEB TOOLS: APL's HomePort Web site enables customers to book and track cargo electronically and provides electronic bills

of lading. Terminals connect with truckers via the Internet and mobile devices, enabling them to manage cargo pickup and delivery.

FLEET SIZE: 150 ships

CUSTOMER AWARDS: 2011 Carrier of the Year, Best Buy.

WHAT'S NEW: SmarTemp satellite-based tracking device continually monitors temperature and atmospheric conditions in refrigerated containers. Shippers of highly sensitive cargo can check conditions inside the box from their computers.

China Shipping

888-712-7811 **www.chinashippingna.com**

PARENT COMPANY: China Shipping Group Company

China Shipping offers container transportation and related services including storage, transshipment, customs arrival manifest filing, and intermodal on-carriage. Its 560,000-TEU fleet calls 12 China base ports and most river ports along the Yangtze River, the Pearl River, and their branches, providing fast, safe, and economical transportation of all containerized freight. A total of more than 40 international routes round out the line's current service profile.

WEB TOOLS: Tracking/tracing, EDI, eBrochure, sailing schedules.

FLEET SIZE: 150 vessels

CUSTOMER AWARDS: 2010 Carrier of the Year Award, Michael's Stores.

WHAT'S NEW: China Shipping introduced Transpacific, Transatlantic, Mediterranean, North Europe, China Pearl River Delta, and China Yangtze River Delta services.

CMA CGM

757-961-2100 **www.cma-cgm.com**

LOGISTICS DIVISION: CMA CGM Logistics

CMA CGM, founded in 1978 by Jacques R. Saadé, serves more than 400 ports with 170 main shipping lines around the world. With a presence on all continents and in 150 countries through its network of 650 agencies, CMA CGM employs 17,000 people and transports nine million TEUs annually. The group offers a complete range of activities, including transport by sea, river, and rail, and operates facilities in port as well as logistics on land to guarantee high-quality door-to-door services. CMA CGM has also been investing in rail, inland waterway, and road haulage services and strategic shipping terminals worldwide.

WEB TOOLS: Interactive schedules; routing finder, including line services and voyage finder; quotation requests; tariffs; container tracking; bill of lading printing (draft, waybill, original bill of lading); and shipment details.

FLEET SIZE: 389 vessels

CUSTOMER AWARDS: 2011 Matty Award, Mattel; 2011 Best Partner Carrier of the Year, Sony; 2011 Ocean Carrier of the Year Award, Lowe's Home Improvement.

WHAT'S NEW: CMA CGM signed an agreement for the operation, equipment, and expansion of the Gordon Cay Container Terminal in the Jamaican port of Kingston.

COSCO Container Lines Americas Inc.

800-242-7354 | **www.cosco-usa.com**

PARENT COMPANY: China Ocean Shipping Company (COSCO)

Celebrating the 50th anniversary of its founding in 1961, COSCO maintains 85 representative offices in 49 countries around the world, and operations agencies in 1,000 cities in 160 countries. Cargo handling capabilities include 20-foot and 40-foot dry containers, refrigerated containers, flat-racks, open tops, high cube, and other specialized equipment. Routes and scheduling are designed for rapid and cost-efficient service worldwide.

WEB TOOLS : Automated 24/7 cargo tracking service, complete listings of services and schedules.

FLEET SIZE: 120 vessels

WHAT'S NEW: In addition to equipment improvements, recent scheduling additions and revisions have resulted in significantly faster transit times. COSCO's 20 main line services connect more than 1,000 ports.

Crowley

800-CROWLEY | **www.crowley.com**

PARENT COMPANY: Crowley Maritime Corporation

LOGISTICS DIVISION: Crowley Logistics

Crowley Maritime Corporation, a privately held family and employee-owned company established in 1892, provides marine solutions, and transportation and logistics services in domestic and international markets. Services include cargo shipments by containers and trailers; refrigerated and speed-to-market shipping; breakbulk, heavy lift, and over-dimensional items; and rolling stock such as cars, trucks, buses, and construction equipment, all with company-owned specialty equipment and top-quality Lift-on/Lift-off (Lo/Lo) and Ro/Ro vessels.

WEB TOOLS: Track-and-trace, tariff retrieval, e-bill of lading registration, 24-hour manifest schedule, downloadable shipping documents, booking, rate requests.

FLEET SIZE: 240 vessels

CUSTOMER AWARDS: Outstanding Customer Service and Quality Award, Toyota; International Partnership Award, Payless ShoeSource; World Excellence Award and Silver Award for Supplier Excellence, Ford Motor Company.

WHAT'S NEW: With Crowley's Speed to Market service, customers can ship export cargo from the U.S. Northeast, Southeast, and Gulf coasts to nearly every country in the Caribbean Basin and Central America. Overland truck service is provided to Nicaragua and El Salvador. Crowley also expanded its logistics offerings further into the Caribbean by adding services to the British Virgin Islands and Tortola.

Evergreen Line

201-761-3000 | **www.evergreen-line.com**

PARENT COMPANY: Evergreen Group

LOGISTICS DIVISION: Evergreen Shipping Agency (America)

Taiwan-based Evergreen was founded in 1968 by Group Chairman Dr. Yung-fa Chang and commenced full container liner services in 1975. It has developed into a global carrier, operating a 650,000-TEU-capacity fleet and serving six continents.

WEB TOOLS: Integrated e-commerce services via Evergreen's ShipmentLink portal; enhanced e-reports available to all customers, with new functions including event-driven notification, tracking reports, and statistics to help manage and monitor shipments.

FLEET SIZE: 180 vessels

CUSTOMER AWARDS: 2010 Partner in Progress, Sears Holdings Corporation.

WHAT'S NEW: Evergreen Line launched a new intra-Asia service linking Kaohsiung, in southwestern Taiwan, with Cebu, a province of the Philippines.

Hamburg Süd

973-775-5300 **www.hamburgsud.com**

PARENT COMPANY: The Oetker Group

Hamburg Süd specializes in marine transport and logistics, with a focus on containerized temperature-sensitive cargo shipping. Company services link North America, South America, Europe, the Mediterranean, Asia, India, Pakistan, and Australia/New Zealand.

WEB TOOLS: Cargo booking, tracking, and tracing.

FLEET SIZE: 174 vessels

WHAT'S NEW: Hamburg Süd expanded its coverage of West Central America and reconfigured its services in North Europe and the Eastern Mediterranean. The carrier also added the 7,100-TEU *Santa Catarina* containership to its fleet.

Hapag-Lloyd

800-223-4443 **www.hapag-lloyd.com**

PARENT COMPANY: The Albert Ballin consortium and TUI AG

Hapag-Lloyd connects all major ports worldwide via 76 liner services—including U.S. flag services. Hapag-Lloyd operates 300 offices in 114 countries and offers a container stock of one million TEUs of all types, including one of the largest reefer fleets in the industry.

WEB TOOLS: Schedule overview download and subscription; shipment overview listing; tariffs, freight rates, and local charges; rules and regulations; shipping instructions (for registered customers); sea waybill of lading download; track-and-trace by booking, container, or bill of lading number; vessel

tracing; import overview with customs information; invoice copy download; shipment rate of exchange; general rate of exchange information; RSS news feeds.

FLEET SIZE: 140 vessels

CUSTOMER AWARDS: 2011 Supplier Innovation Award, John Deere.

WHAT'S NEW: Hapag-Lloyd started an all-water American Feeder Line connecting the Port of Halifax with Portland, Maine, and Boston. The carrier also introduced a new weekly service linking Singapore and Indonesia with direct connections on fixed-day sailings.

Horizon Lines

877-678-7447 **www.horizonlines.com**

PARENT COMPANY: Horizon Lines Inc.

LOGISTICS DIVISION: Horizon Logistics LLC

Horizon Lines is a domestic ocean shipping and integrated logistics company comprised of two primary operating subsidiaries. Horizon Lines LLC operates a fleet of 20 U.S.-flag containerships and five port terminals linking the continental United States with Alaska, Hawaii, Guam, Micronesia, and Puerto Rico. Horizon Logistics LLC offers customized logistics solutions to shippers from a suite of transportation and distribution management services, information technology developed by Horizon Services Group, and intermodal trucking and warehousing services provided by Sea-Logix. Horizon Lines Inc. is based in Charlotte, N.C.

WEB TOOLS: Booking, track-and-trace, and payment applications that allow shippers to create customized reporting; event notification; and e-mail or threshold activity alerts.

FLEET SIZE: 20 vessels

CUSTOMER AWARDS: 2011 Platinum Carrier Award, Lowe's Home Improvement.

WHAT'S NEW: Horizon Lines received recognition from both the U.S. Coast Guard and the Chamber of Shipping of America for its record of safety and stewardship.

Intermarine

504-529-2100 **www.intermarineusa.com**

PARENT COMPANY: Intermarine LLC

New Orleans-based Intermarine provides worldwide ocean transport and inland heavy haul services for breakbulk, specialized project, and heavy lift cargo. The company also operates offices in Houston, Caracas, Buenos Aires, Shanghai, Seoul, and Mumbai.

WEB TOOLS: Company information, weekly sailing schedules.

FLEET SIZE: 30 vessels

WHAT'S NEW: Intermarine launched its next generation of multi-purpose heavy-lift carriers with the delivery of the *M/V Industrial Freedom.* Built in China, the F-class series consists of four 14,100 dwt heavy lift ships boasting two 440-ton cranes and one 80-ton standard crane.

Maersk Line

973-514-5000 **www.maerskline.com**

PARENT COMPANY: A.P. Moller–Maersk Group

Maersk Line, a division of the A.P. Moller-Maersk Group, is dedicated to on-time delivery, ease of doing business, and environmental performance. A new concept in liner shipping, Daily Maersk combines daily sailings in the Asia-Europe trade with reliability. Container schedules will be based on total transportation time, daily cut-off to cargo availability, with monetary compensation for containers that are not delivered on time. Daily Maersk extends production lines, allowing shippers to reduce inventory, plan more efficiently, and improve time to market.

WEB TOOLS: Online sailing schedules; e-rates; e-booking; e-shipping instructions; electronic transport documentation and bill of lading printing; track-and-trace; and reports.

FLEET SIZE: More than 500 vessels

WHAT'S NEW: Maersk Line is building 20 Triple-E ships, the world's largest, most environmentally improved, and energy efficient vessels. These ships will reduce CO_2 emissions by more than 50 percent per container moved. The first ships will be put in service in 2013.

Matson Navigation Company

800-4MATSON **www.matson.com**

PARENT COMPANY: Alexander & Baldwin Inc.

LOGISTICS DIVISION: Matson Integrated Logistics

Matson's transportation offerings span the globe from Shanghai to Savannah, and encompass everything from providing a vital lifeline to the island economies of Hawaii, Guam, and Micronesia to offering a premium, expedited service from China to Southern California. Matson continues to strengthen its ocean transportation services through fleet enhancements, industry-leading on-time arrivals, and award-winning customer service.

WEB TOOLS: Online booking, tracking, billing, account balances, container tracking, EDI.

FLEET SIZE: 13 containerships, including four specialized barges

WHAT'S NEW: Matson launched its expanded China-Long Beach Express, offering weekly service from Hong Kong and Yantian and a new second weekly call at Shanghai. This expansion augments its weekly service from Xiamen, Ningbo, and Shanghai to Southern California, and extends its geographic reach to the South China region.

MOL

800-OK-GATOR **www.molpower.com**

PARENT COMPANY: MOL Ltd. (Mitsui O.S.K. Lines)

CONSOLIDATION DIVISION: MOL Consolidation Services Ltd.

LOGISTICS DIVISION: MOL Logistics (U.S.A.) Inc.

MOL (America) Inc., MOL's wholly-owned liner subsidiary in North America, employs approximately 400 transportation professionals in 16 sales offices throughout the United States. Founded in 1884, MOL's business diversity makes it one of the world's most financially solvent transportation companies.

WEB TOOLS: Online booking requests and shipping instructions; bill of lading searching, viewing, and printing; global shipment tracking; reports; sailing schedules.

FLEET SIZE: 917 vessels, including 104 containerships

CUSTOMER AWARDS: 2011 Transportation Partner of the Year, Michael's Stores Inc.

WHAT'S NEW: MOL upgraded its CX1 feeder service between Panama and Manaus and has begun independent operation of the route.

Mediterranean Shipping Company SA (MSC)

212-764-4800 **www.mscgva.ch**

MSC is a privately owned shipping line, founded in 1970. The carrier operates 457 container vessels, with an intake capacity of more than two million TEUs. During recent years, MSC's maritime fleet has expanded substantially to consolidate its position as the second-largest carrier in respect to container slot capacity and container vessels operated.

WEB TOOLS: Track-and-trace, schedules, container specs, contact information.

FLEET SIZE: 457 vessels

WHAT'S NEW: MSC introduced its Jaguar service from central China to Los Angeles, and enhanced its existing Transpacific service network.

NSCSA (America) Inc.

410-625-7000 **www.nscsa.com**

PARENT COMPANY: The National Shipping Company of Saudi Arabia

LOGISTICS DIVISION: Freight Forwarding & NVOCC Division

NSCSA's services include transporting general cargo, crude oil, chemicals, and liquefied petroleum gas. The carrier's four multi-purpose vessels serve its Arabian Gulf – Indian Subcontinent – Red Sea – Mediterranean – U.S./Canada East Coast route on a 21-day frequency. The company operates a container service yard at Saudi Arabia's Jeddah Islamic Port to facilitate container storage and maintenance/repair services.

FLEET SIZE: 17 crude carriers; 18 chemical carriers; four multi-purpose vessels

WHAT'S NEW: NSCSA signed contracts to purchase four specialized vessels for carrying general, project, and Ro/Ro cargo. To be delivered beginning in early 2013, the ships will be equipped with heavy-lift cranes, and each ship will have a deadweight tonnage of approximately 26,000 tons.

OOCL

888-388-OOCL **www.oocl.com**

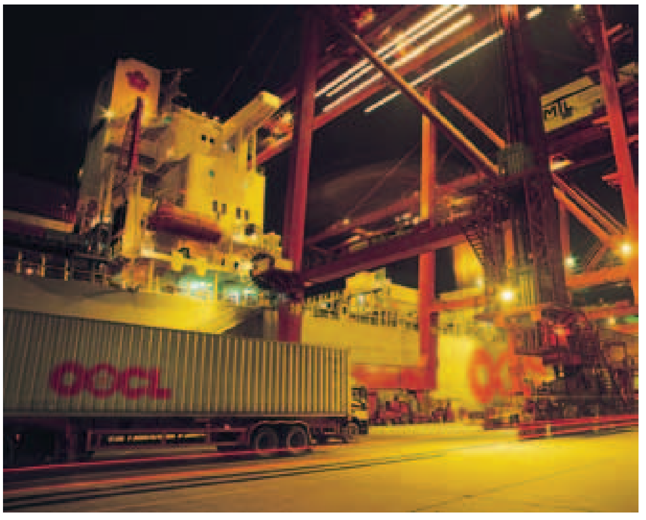
PARENT COMPANY: Orient Overseas International Ltd. (OOIL)

LOGISTICS DIVISION: OOCL Logistics (USA) Inc.

As one of Hong Kong's most recognized global brands, OOCL provides shippers with fully integrated logistics and containerized transportation services, with a network that encompasses Asia, Europe, North America, and Australasia.

WEB TOOLS: OOCL's Web site and My OOCL Center portal provide advanced visibility and exception management, enabling shippers, consignees, and logistics providers to keep cargo moving and delivered on time.

FLEET SIZE: 120 vessels



CUSTOMER AWARDS: 2010 Best Partner Carrier, Sony Corporation; 2010 Vendor and Carrier Partnership of the Year, Michael's Stores Inc.

WHAT'S NEW: OOCL christened the *OOCL Canada*, an 8,888-TEU vessel, which will be deployed on the carrier's Middle East-Asia express route serving Intra-Asia trade.

Trailer Bridge

800-554-1589 | **www.trailerbridge.com**

PARENT COMPANY: Trailer Bridge Inc.

Trailer Bridge provides multiple weekly U.S. flag sailings between Jacksonville, Fla., and San Juan, Puerto Rico; weekly sailings between Jacksonville and the Dominican Republic; and weekly inter-island service between Puerto Rico and the Dominican Republic. Its innovative processes have brought the efficiencies of larger, high-cube equipment to the markets it serves. By utilizing a fleet of primarily 53-foot by 102-inch-wide high-cube equipment, along with single carrier door-to-port service, Trailer Bridge is able to provide increased value to its customers.

WEB TOOLS: Shipment tracking, customizable reports, booking, rate request, sailing schedule.

FLEET SIZE: Seven vessels

WHAT'S NEW: Trailer Bridge has three 400-by-100-foot ocean-going barges available for charter-hire for project work. The barges are U.S. flag and Jones Act qualified, and are designed for Ro/Ro, float-on/float-off, breakbulk, and container cargoes.

United Arab Shipping Company (UASC)

908-272-0050 | **www.uasc.net**

UASC is the largest ocean carrier of dry cargo to the Middle East. Maintaining a commitment to serve the Arabian Gulf, UASC offers a wide scope of services to the Arabian Gulf/Red Sea and Indian Sub-Continent regions.

WEB TOOLS: Shipment tracking, bill of lading, and sailing schedules.

FLEET SIZE: 55 vessels

WHAT'S NEW: UASC launched an e-commerce platform, UASC Online, to promote and deliver shipping process efficiencies to its customers. Shippers can submit simple re-usable bookings, edit and approve their bills of lading, and manage their UASC business via this new portal.

Yang Ming

201-222-8899 | **www.yangming.com**

PARENT COMPANY: Yang Ming Marine Transport Corporation

SUBSIDIARY COMPANIES: Kuang Ming Shipping Corporation, Yes Logistic Corporation, Kao Ming Container Terminal Corporation

Containerships are the mainstay of Yang Ming's fleet. Established in 1972, Yang Ming practices a management philosophy of Teamwork, Innovation, Honesty, and Pragmatism.

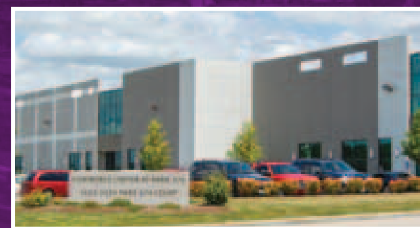
WEB TOOLS : Scheduling, vessel tracking, shipment track-and-trace, bill of lading processing, booking, and tariff.

FLEET SIZE: 87 vessels

WHAT 'S NEW: Yang Ming has invested in exclusive terminals in Los Angeles and Tacoma; Keelung, Kaohsiung, and Taipei Harbors in Taiwan; Antwerp, Belgium; and Rotterdam, The Netherlands.

HEY–WHERE'S MY CONTAINER? WHERE'S MY FREIGHT CAR?

SPECIAL
ADVERTISING
SUPPLEMENT



Logistics Center of Attention

Illinois-Missouri Bi-state Region

A central location, well-developed transportation infrastructure, emerging trade connections with Asia and South America, and unified vision for economic development have made the bi-state metropolitan area around St. Louis a global intermodal crossroads.

The St. Louis region has always been a center of attention. Its location down river from the Mississippi River's confluence with both the Illinois and Missouri made the city an important nexus for frontier traders. It was the point of departure for the Lewis and Clark expedition. At one time during the late 19th century, St. Louis was the fourth-largest city in the country.

The Gateway Arch, completed in 1965, was built to mark the city's role in U.S. Manifest Destiny, the spirit of 19th-century westward expansion. It became and remains a center of attention for tourists and marketers alike.

Today, the arch also symbolizes synergy and business expansion. It begins at two separate loci, then joins as one at its apex – a representation that demonstrates how the area's economic development prospects are buttressed by collaboration between public and private sector interests on both sides of the Mississippi River, in Illinois and Missouri.

Consisting of 15 counties that are collectively home to more than 2.8 million people, the St. Louis metro area's footprint extends into both states. The Mississippi River plays a big role in area economic development activity. It's one asset that many U.S. cities don't have. And it has become a trigger for greater collaboration between interests on both sides of its banks.

"Two excellent examples of this cooperation are the new bridge that will span the Mississippi River, funded by both states and the federal government, and the joint planning that went into creating the new south harbor at America's Central Port, formerly Tri-City Port District, in Madison County, Ill.," says Alan J. Dunstan, chairman of the Madison County board.

"Leaders in Madison County and throughout Illinois and Missouri understand the Mississippi River's importance to our area's vitality," he adds. "We continually work together to maximize the river's viability as one of the key, successful elements to our area's position as a transportation and distribution hub."

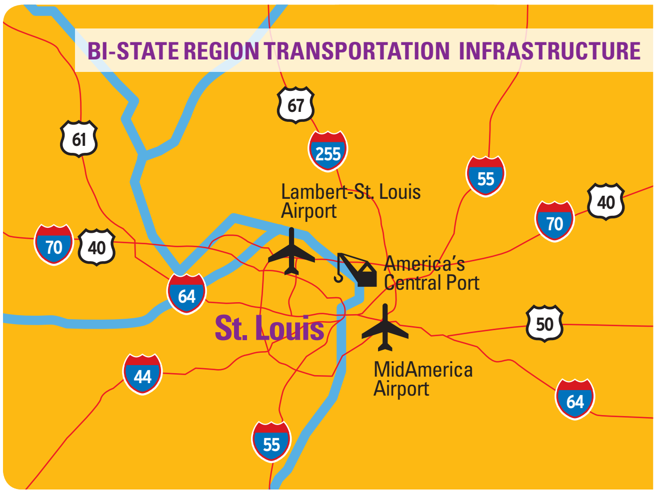
POWERING COLLABORATION

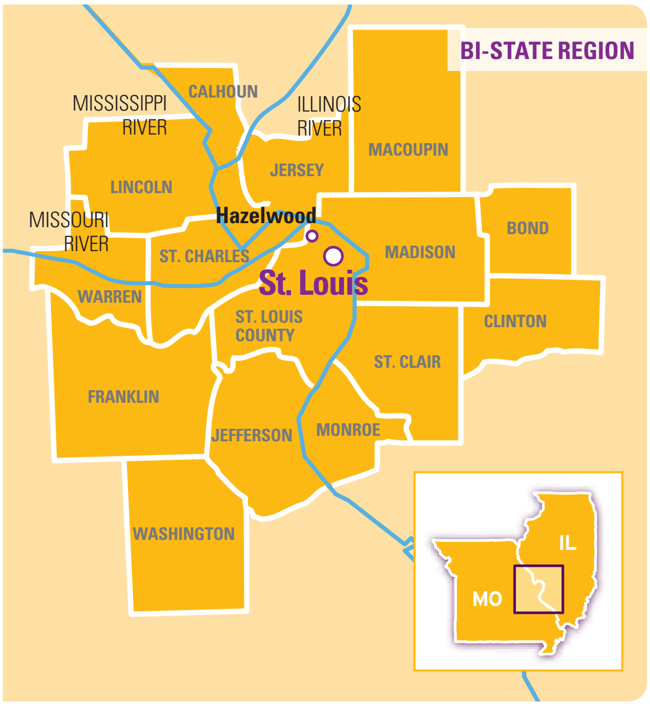
Such bilateral cooperation and vision has been stewarded by the area utility, Ameren Corporation. With operational bases in both Illinois and Missouri, the power company generates a net capacity of 16,600 megawatts of electricity and serves 2.4 million electric customers and nearly one million natural gas customers.

Ameren operates one nuclear facility, three hydroelectric plants, and more than

Prime Location

The St. Louis metropolitan region, which extends across the Mississippi River into Illinois, boasts a network of interstates, two airports, and an inland port, providing a wealth of intermodal shipping options.





one dozen combustion turbine facilities. The utility has an abundance of power. It also has the capacity to attract business development interest for the benefit of all.

"Utilities have had long-term involvement in economic development activity because we are part of the core infrastructure," says Mike Kearney, manager of economic development for Ameren Corporation. "We collaborate with communities, state governments, and businesses to bring greater value to their operations."

MAKING CONNECTIONS

In the Bi-state Region, Ameren is literally and figuratively the current that flows between enterprises. There are few entities, public or private, that cover as broad and comprehensive a geographic region – crisscrossing local, county, and state jurisdictions – as the utility does. It is in a position to make connections around assets that drive the region's economy, especially with regards to transportation infrastructure that includes a dense network of rail, river, road, and air options.

Naturally, Ameren has a vested interest in growing business activity in the St. Louis area. Manufacturing, distribution, and logistics industries consume a lot of electricity, which is incentive for any power company. But growing critical mass helps increase service and reduce costs.

"Our priority is serving customers," says Kearney. "But we also have an important role in growing our region: building capacity, and making our businesses more competitive."

In this regard, alignment is key. Local communities can try and go it alone, but it is difficult finding and capitalizing on resources that may not be immediately apparent or accessible. One of Kearney's primary objectives at Ameren is to facilitate more dialog among city, county, and state governments. The objective is to tap base synergies, capitalize on regional strengths, then compete locally.

"More business leaders are looking to create a strategy in concert with the public sector," says Kearney. "It is private-public partnership in the truest sense. More players in specific cluster industries are going to grow their business here."

HAZELWOOD BLOOMS

Hazelwood, Mo., is one of the many benefactors of this economic development approach. With a population of nearly 25,000 residents – among the largest communities in St. Louis County – it is also home to more than 1,000 businesses, including 12 Fortune 500 companies, six Fortune 1,000 companies, and 10 corporate headquarters.

Proximity to Lambert-St. Louis International Airport has always been an advantage for Hazelwood. But it also provides convenient road access to U.S. Interstates 70, 44, and 55, as well as U.S. Highway 40 and Interstates 170, 270, and 370. On the rails, Norfolk Southern provides freight service directly into the city.

Hazelwood is the perfect example of a community that was hit hard by a loss of automotive manufacturing but is reinventing itself as both a manufacturing and distribution hub. In 2006, Ford shut down its Hazelwood manufacturing plant, eliminating approximately 2,000 jobs and $3 million in annual revenue for the city. That vacant site has since been repurposed as Aviator Business Park, a 2.7-million-square-foot mixed-use development aimed at light manufacturers, data centers, distribution operators, and other commercial clients.

Together with the Hazelwood Logistics Center, a 151-acre, rail-served industrial and distribution park with retail frontage, Aviator Business Park has become a magnet for new business expansion.

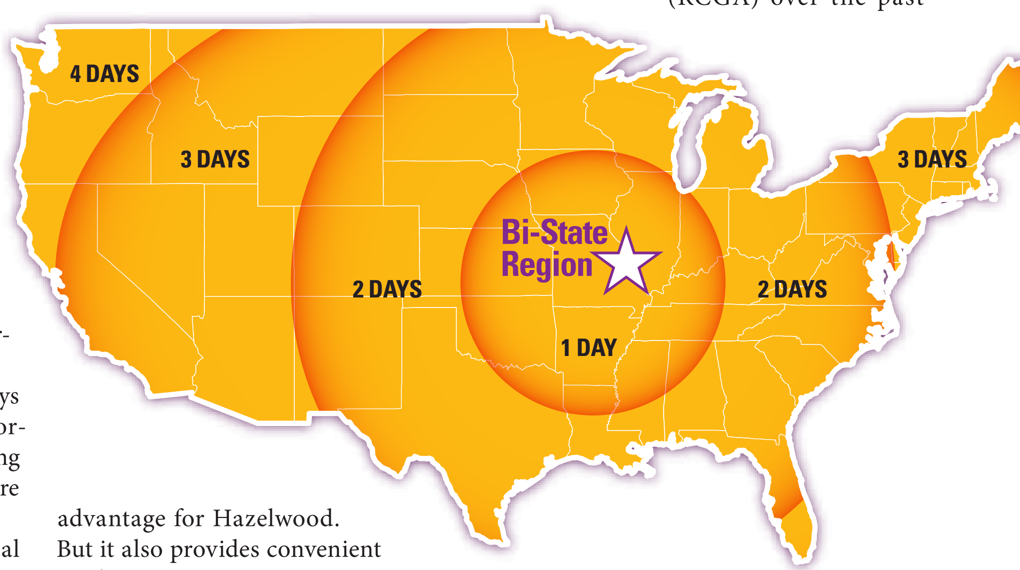
"With Aviator Business Park and Hazelwood Logistics Center, the infrastructure is there – roads, rail connections, power, and gas," says David Cox, economic developer for the city of Hazelwood. "Companies don't have to start from scratch."

Cox conveys the growing enthusiasm permeating the community. "We've been working with the St. Louis Regional Chamber and Growth Association (RCGA) over the past year to bring Emerald Automotive to Hazelwood," says Cox. "The company came to us looking for a central location in the area. The Ford and Chrysler facilities in nearby Fenton, Mo., both closed, so a talent pool with automotive assembly skills was available."

The deal, which was finalized in summer 2011, will bring the British automotive company's production of hybrid

Good to Go

Items shipped by truck from the Bi-state Region reach 70 percent of the U.S. population within 48 hours.



MidAmerica St. Louis Airport

Safe, Secure, Certified Perishable Food and Goods Handling

With direct intercontinental access to the global markets, MidAmerica Airport is the Midwest's year-round international farmers market connection, serving American producers of the highest quality, safest foods who desire to export their goods worldwide. Our proven trade routes also provide an air avenue for a host of general and oversized cargo, creating new opportunities for businesses across the Midwest and around the world.

Superior Amenities

- On-ramp perishable center – the only one north of Alabama
- Large cargo space available, and more on the way
- Located in Foreign Trade Zone #31, plus enterprise zone benefits
- Dual runways, state-of-the-art control tower, 24/7 operations
- Negotiable rates among the lowest in the U.S.

Unparalleled Connectivity

- Proven trade routes linking Latin America and Asia
- Immediate Interstate access via I-64, I-44, I-55 & I-70
- Major multimodal rail and inland port centers nearby
- Uncongested location in the heart of the country

World Class Tenants

- Boeing
- General Dynamics
- Unigroup Worldwide, Inc.
- AVMATS

Worldwide access from the heart of the USA!

MidAmerica ST. LOUIS AIRPORT

Contact: **Tim Cantwell**, *Director*
director@flymidamerica.com
Phone: **(618) 566-5240**
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electric and diesel-powered delivery vans to Hazelwood. The plant will create hundreds of manufacturing jobs, and the site will eventually become Emerald's North American manufacturing hub.

"The Hazelwood plant will manufacture three prototype vehicles – two likely targeted for Europe, the other for North America," says Cox. "Once Emerald develops these markets, it will set up an assembly facility here, which will make chassis and engines. Those will be sent to Europe via rail and ocean for final assembly."

Location, transportation accessibility, and workforce were primary considerations in Emerald's decision to choose Hazelwood over 24 other sites. But it also had an ace in hand. The city is planning to loan Emerald $3 million, to be paid back with interest in 10 years or fewer. Another $2 million is coming from the state.

"We, along with about seven other cities around the state, have a half-cent sales tax dedicated to economic development," Cox explains. "We've been able to complete some projects in our industrial parks, such as rebuilding a street and putting in a turn radius, using our economic development fund."

Hazelwood also created a loan program that is available to prospective companies. "Emerald came here because of our loan program," Cox says. "Hazelwood was the only community that could offer that."

AT HOME IN HAZELWOOD

The city has had other successes attracting new business and retaining existing ones. Community Tire, a wholesale tire distributor for the region, was located in an undersized warehouse facility and was able to expand in Hazelwood – because it wanted to stay there.

Cox has also seen a trend of area businesses relocating from older facilities. "In fall 2010, Luxco, a national liquor distributor, came to Hazelwood because its distribution center in the city had grown obsolete," he says. "Food distributor M&L moved operations here, too. Many companies are consolidating locations in Hazelwood because it offers space and transportation accessibility."

Hazelwood's courting of Emerald Automotive is by no means an exception in the St. Louis market. Several multinational companies have headquarters or significant operations nearby – notably Boeing Integrated Defense Systems, Emerson Electric, Monsanto, Express Scripts, Energizer Holdings, Panera Bread Company, and Hardee's Food Systems.

"Because of the region's distinct position in wholesale trade and its multimodal access to North American markets, St. Louis offers great advantages to global manufacturers, value-added agricultural operations, and energy producers," says Patrick McKeehan, executive director of Leadership Council Southwestern Illinois, an economic development organization

Multinational corporations such as aerospace and defense industry leader Boeing are attracted by Hazelwood's economic development advantages.

that serves Madison and St. Clair counties.

As a consequence, the area also attracts transportation and logistics talent. Headquartered in Fenton, Mo., UniGroup is the parent company of Mayflower, United Van Lines, and newly spun-off third-party logistics provider UniGroup Worldwide Logistics.

"We manage projects all over the United States and the world. Being in an area that has grown to be a significant transportation and distribution hub helps us because of the critical mass that is building here," says Rich McClure, president of UniGroup. "Several companies have more than one million square feet of distribution space, including Worldwide Technology, Unilever, and Procter & Gamble. These assets, talent, and customers give the region a logistics advantage."

CHINA DIRECT

Critical mass is the key. And now area economic developers and government officials are hoping to further capitalize on existing transportation assets by bringing global markets closer to St. Louis. Such is the vision of the Midwest-China hub at Lambert-St. Louis International Airport.

The project is a public-private trade effort between mostly St. Louis and Missouri government officials and business interests in China. The idea, hatched in 2009, is to attract Chinese air carriers to Lambert and create an aerotropolis around this trade. On Sept. 26, 2011, China Eastern landed its inaugural cargo flight from Shanghai, with weekly service expected to continue in the short term.

The China hub is a "business expansion

and retention strategy," says Kearney, as well as a magnet for new companies. When David Cox was entertaining interest from Emerald Automotive to locate in Hazelwood, the manufacturer was intrigued by the hub negotiations.

"Even though Emerald won't be putting vans on airplanes, the idea that the area is attracting greater interest from the international community is a plus," says Cox.

MidAmerica Airport aims to be the transshipment pivot point in a new trade route between Latin America, North America, and Asia.

AIR CARGO ASSETS

On the Illinois side of the Mississippi River, a different air cargo strategy has been in place since 2004, according to Tim Cantwell, director at MidAmerica Airport, a military-civilian joint-use airport in St. Clair County, Ill., with operations experience handling international cargo. It has been coordinating trade missions and operations for air cargo routing between Asia and South America for the past seven years.

MidAmerica offers two runways, as well as interstate access via I-64, I-44, I-55, and I-70; an air cargo terminal; air cargo facility development space ranging from 10 to 200 acres; and a foreign trade zone. But perhaps its biggest asset is a global strategy that establishes a new trade route between South America and Asia through the St. Louis area.

"Our value proposition is market-based," says Cantwell. "It connects foreign buyers and U.S. sellers, and sets up their export trade between the United States and South America, and the United States and Asia, with logistics improvements for their current needs. We are trying to add Midwest businesses eager to export, and U.S. cargo carrier operations, but we'll allow anyone in. To start this type of activity where it has never been hosted before required improving or offering alternatives to currently established markets."

In effect, MidAmerica Airport aims to be the transshipment pivot in a new trade route between Latin America, North America, and Asia.

"Trade between the United States and Latin America requires smaller, lesser range aircraft due to smaller consolidated loads at single points of origin and less advanced runway environments," Cantwell adds. "Air trade between the United States and Asia demands larger aircraft. Airports engaging in air trade have longer runways to support that need."

A TRADE CONDUIT

At some point, explains Cantwell, regauging activity is necessary to put cargo onto different sized aircraft and maximize load efficiency. Currently, the regauging of intercontinental U.S. transient airfreight trade occurs via airport-to-truck, truck-to-truck, then truck-to-airport with laborious efforts connecting Asian gateways and Miami. And the reverse is the same.

That's where MidAmerica's business plan comes into play as a trade conduit, introducing U.S. sellers to Latin American and Asian buyers, as well as augmenting the Asia-to-Latin America trade through the U.S. Midwest.

MidAmerica Airport is aggressively creating business ties throughout the Midwest, and is adding sellers from as far as New England, Florida, Mississippi, and Texas. Of course, the anchor for the export business is in Illinois.

Both the South America-U.S. and U.S.-China lanes are light, but there is a need to grow based on standard of living increases on both continents, says Cantwell. "The air cargo equation must be made economically viable for the trade route to be successful," he notes. "This new trade route has reached the commodity level of consciousness with buyers who want a safe, secure, certified transportation process for their goods."

ROOM TO GROW:

Industrial Real Estate Snapshot

Businesses looking for facilities in the St. Louis metro area can choose from a variety of options—and new construction is booming.

PROPERTY TYPE	Total Buildings	Vacancy Rate	Under Construction
Modern Bulk	83	16.9%	0
Traditional Bulk	235	12.8%	180,000
Office/Warehouse	4,041	7.4%	0
Manufacturing	565	4.5%	105,000
Service Centers	321	7.9%	129,000
Other	129	10%	0
St. Louis Total	**5,374**	**8.7%**	**414,000**

Source: Cassidy Turley Commercial Real Estate Services Industrial Market Snapshot, Second Quarter 2011

Working the two trades has enabled Cantwell to identify unique best practices that he has capitalized on to target new business opportunities.

"MidAmerica has established the tools and knowledge base to provide for perishables handling," he notes. "This capability is critical for the new lines of U.S. exports to China: high-value proteins and processed foods. We learned that handling ability from South American flower and vegetable import operations.

We are expanding perishables operations by building a 30,000-square-foot perishable center in a public-private partnership with an established U.S. cooperative that distributes fruits and vegetables internationally."

MidAmerica sought out the needs of Asian and Latin American suppliers to identify goods that require air transport between continents. The basis for this understanding is that air freight is traveling through the United States, and most of it is designated to LTL carriers for delivery from airports in the north and west to the Southeast, or vice versa.

"MidAmerica provides a solution that eliminates truck transit, labor handling, and repacking, reconsolidating, and repalletizing goods, as well as the information loss and frustration of crossdocking multiple times en route," Cantwell says.

If MidAmerica's global vision and cargo-specific handling capabilities aren't incentive enough for businesses to locate in the vicinity, there's also the convenience of being located next to Scott Air Force Base – another major boon for the Bi-state Region.

"Because Scott Air Force Base is home to all the U.S. military's logistics command and control functions, the area possesses a workforce that is readily available and knowledgeable in that field," Cantwell adds. "We've got the right tools and operations to meet the growing foreign demand for U.S. goods. We can make U.S. export via air cargo an easy reach to the world."

AMERICA'S INTERMODAL CENTER

Global air transport aside, St. Louis has always been the historic gateway to the American West, providing a centrally located, cost-effective jumping-off point for river, rail, and road cargo, says McKeehan. Around the Mississippi River, intermodal options abound.

St. Louis is home to the nation's second-largest inland port by trip ton-miles. With six Class I railroads and several smaller industrial railroads, the area is also the nation's third-largest rail center. Four interstate highways and four interstate linkages pass through the region, placing St. Louis at the nexus of the United State's primary north/south and east/west corridors.

"Madison County and the entire St. Louis region benefit from having more intersecting transportation modes than any other area of the country," notes Dunstan. "Its strategic location in the center of the country enables items shipped from the greater St. Louis region to reach 70 percent of the country's population within 48 hours."

But at the core of this intermodal crossroads is the hard-to-miss Mississippi River and America's Central Port, formerly the Tri-City Regional Port District. Officials changed the name in 2010 to better reflect the port's growing value proposition.

"The name 'America's Central Port' helps identify the port's location in the country and its intermodal transportation business for potential new customers," says Dennis Wilmsmeyer, the port's executive director.

Located just north of downtown St. Louis on the Illinois side of the Mississippi River, the port and its tenants offer a wide range of services and facilities, including barge, rail, and truck transfer of commodities; industrial, commercial, and residential development sites; and warehouse and commercial lease opportunities. The 1,200-acre multi-use site has more than 1.5 million square feet of warehouse space, most of which is rail served.

BARGE BUSINESS

Among the port's tenants, Lewis & Clark Marine Inc. operates nine vessels on a section of the Mississippi River between miles 162 and 198, below the confluence with the Missouri River. It is primarily responsible for switching and fleeting barges in the Greater St. Louis area.

"Barges are delivered to our fleets by long-distance vessels," says Paul Wellhausen, president, Lewis & Clark Marine. "Then, as a harbor service, we receive orders to shift barges to a terminal to load or unload. Barges dropped in our fleet can be consigned for pick-up by a line-haul vessel for further movement either northbound or southbound from St. Louis to load or unload elsewhere."

Lewis & Clark will "fleet" (essentially, valet parking for barges) dry cargo barges containing various products, as well as liquid barges. Fleets loaded with coal, ethanol, and countless other commodities deliver power to domestic utilities and grain to global markets, demonstrating why the St. Louis inland water system is well-suited for all types of industrial activity. And with transportation costs continuing to soar, intermodal transport on the Mississippi River is a valuable asset for many businesses.

America's Central Port's 1,200-acre multi-use site offers more than 1.5 million square feet of warehouse space, most of which is rail-served.

America's Central Port markets its services nationally and internationally to distribution and manufacturing companies that can take advantage of its central location, and excellent river, rail, and highway access. Having three transportation modes on its property provides tenants the opportunity to scale mode with business need.

Further expansion of the port's rail loop, scheduled for completion later in 2011, and a new South Harbor – funded by a $8.5-million Transportation Investment Generating Economic Recovery grant – will add capacity and allow the port to provide customers even more options.

The importance of the river and port in economic development for the St. Louis region can't be understated, says Wilmsmeyer. "What would happen if the river were no longer here? How would freight move? Could the rail lines and the highways even begin to absorb the volume of displaced freight? Or would the lack of the river cause freight to move to other cities?" he asks.

"The bottom line is that the Mississippi River is a true asset," Wilmsmeyer continues. "Regional businesses and government need to continue to work together to better plan and use it to benefit the area."

Ameren's Mike Kearney is optimistic that there will be a resurgence of manufacturing activity in the St. Louis area, supported by further capital investment and a skilled workforce. With a full plate of transportation options across all modes, there is a healthy mix of new and old industries, which creates a more resilient local economy.

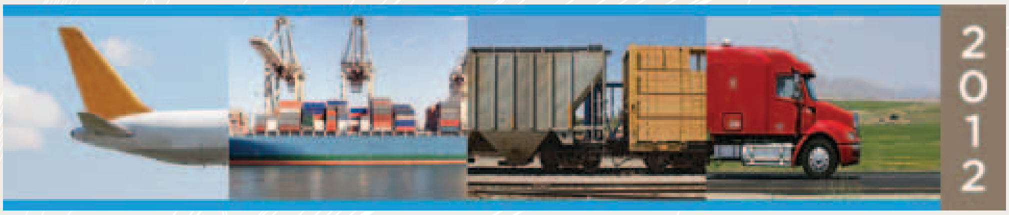
BI-FOCAL VISION

Such diversity also presents new opportunities to provide end-to-end supply chain capabilities – raw materials sourcing to finished goods movement – in some verticals. With the infusion of South American and Chinese trades, cluster development is likely to continue at pace.

But the Bi-state Region's greatest asset is its collaborative vision for growing economic development opportunities. The Missouri side of the Mississippi River has St. Louis, Lambert-St. Louis International Airport, and a well-entrenched commercial footprint. In Illinois, there is ample room for growth around America's Central Port and MidAmerica Airport.

"For economic development purposes, the Bi-state Region leverages assets very well," says McClure. "Both sides of the river offer tremendous resources. There's plenty of reason to see the river not as a dividing line, but as an asset." ■

For information on featuring your region in an Economic Development Supplement, contact James O. Armstrong at 314-984-9007 or jim@inboundlogistics.com.



HEY—WHERE’S MY CONTAINER? WHERE’S MY FREIGHT CAR?

STRATEGIC LOGISTICS SITES:

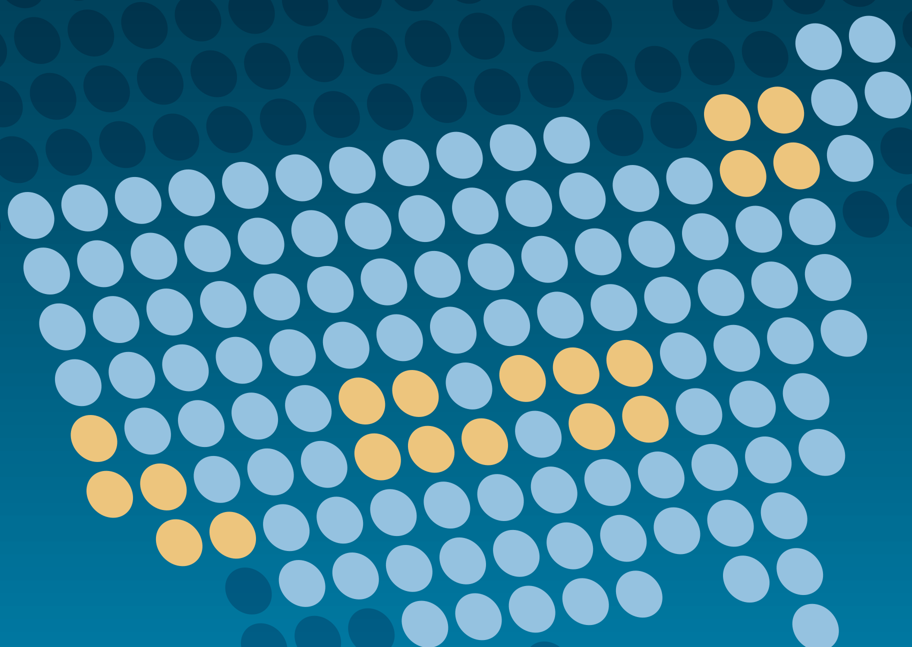
In the Right Place At the Right Time

Locating your manufacturing or distribution business in a great logistics site puts you where you need to be, when you need to be there.

For leisure travelers, the complex U.S. geography makes for memorable trips. For logistics professionals, that same complexity presents challenges as well as opportunities.

One benefit of the vast American landscape is that strategic logistics sites appear at numerous points along the country's twists and turns from sea to shining sea. For those charged with moving products from Point A to Point B as efficiently as possible, the trick is making the correct choice.

Here's a look at some of today's smartest choices for logistics sites in the United States.



BUFFALO NIAGARA, NEW YORK Bi-national Access

Who said Niagara falls? When it comes to logistics, the truth is that Niagara—as well as Buffalo—rises.

"Buffalo Niagara's bi-national location on the U.S.-Canada border is a tremendous asset to industries looking to access northeastern markets," says Thomas Kucharski, president and CEO of Buffalo Niagara Enterprise, a Buffalo, N.Y.-based nonprofit, private business development and regional marketing organization.

"Our region facilitates more than $72 billion in trade between the United States and Canada—that's 15 percent of the total trade conducted between the world's two largest trading partners," Kucharski notes. "To support this trade, the area has a robust mix of professional freight forwarders, consolidators, customs brokers, and third-party logistics providers."

Alpina Foods, a leading dairy-producing company in South America, recently decided to open its first U.S. specialty yogurt manufacturing plant in the Buffalo Niagara region. The main driver of Alpina Foods' expansion strategy in the United States is logistics.

"We chose Buffalo Niagara because of its skilled workforce, proximity to milk supply, ability to reach our target markets, and long-standing tradition of supporting western New York's dairy and agriculture industries," says Julian Jaramillo, Alpina's president and CEO.

No wonder Buffalo Niagara Enterprise is dedicated to the idea that the region is an ideal place for businesses to locate and grow. The region is strategically located within 500 miles of 40 percent of the continental North American population and is a bi-national gateway for commerce. The Buffalo Niagara region is approximately the midway point between New York and Chicago, Toronto, and Pittsburgh.

Among the region's logistics assets are links to Canada through seven different ports of entry, and one of the most highly developed rail systems in the world. Its strategic bi-national site makes Buffalo Niagara a natural to host one of FedEx Trade Networks' locations, which provides shippers of all sizes the help they need to move their goods globally.

Moreover, a new intermodal hub has opened in Buffalo, which offers businesses increased capacity, improved technology, and additional service lanes—all on top of a developed rail infrastructure system. In June 2011, CSX announced several new lanes for domestic customers to ship container goods from Buffalo to Jacksonville, Orlando, and Miami, Fla.

LOCATION HIGHLIGHT

Buffalo Niagara's labor supply comprises **1.2 million people older than 15.** About two-thirds are employed or seeking employment, constituting a **workforce of nearly 800,000.**

The Buffalo Niagara region facilitates more than $72 billion in annual trade between Canada and the United States.

JOPLIN, MISSOURI Midwest Market Hub

Joplin, Mo., may have made international headlines when it was struck by a devastating tornado in May 2011. But for logistics pros, the Joplin region was always in the eye of the storm—in a positive way. And make no mistake about it: The region is definitely alive and well, and open for business.

LOCATION HIGHLIGHT

A variety of transportation options put the Joplin, Mo., region within **easy reach of major markets** such as Chicago, Dallas-Fort Worth, Tulsa, Little Rock, and Memphis. Interstate 44 runs through the region, and the four-lane **U.S. Highway 71 links Joplin to Kansas City and New Orleans**.

Power was restored to the area with remarkable speed after the twister hit, and rebuilding hasn't stopped since. The region continues to flourish as one of the country's greatest and strongest logistics sites. Among the reasons is its sheer depth and size.

The Joplin region comprises 10 communities and five counties in southwest Missouri and southeast Kansas. Economic development efforts throughout the region are promoted through the Joplin Regional Partnership, which provides site selection assistance, incentive and business tax information, key business and local government contacts, demographic and economic data, and other services.

"Through this unique partnership, site selectors have access to information about multiple locations throughout our area that meet their specifications," says Rob O'Brian, president, Joplin Area Chamber of Commerce. "This information can reduce the number of inquiries a site selector has to make and help make the selection process much faster for

Two regional short line and three Class I railroads serve Joplin, providing direct access to major West Coast and Gulf of Mexico ports.

companies that are looking to move, expand, or begin operations."

The city of Joplin is the hub of the region, with an overall market reach of more than 700,000 people within 60 miles.

"The Joplin region is located near the population center of the United States and is situated nearly equidistant between Los Angeles and New York, as well as the Mexican and Canadian borders," says O'Brian.

A highway system that includes Interstate 44 (east-west), interstate-grade U.S. Highway 71, and U.S. Route 69 (north-south) creates connections to every region in the country, as well as to Mexico and Canada.

Three Class I railroads and two regional short-line railroads also are important parts of the transportation system. These rail lines provide direct access to major ports on the Gulf of Mexico and Pacific Ocean.

In addition, the Joplin Regional Airport and three other airports within 60 to 90 minutes drive time provide commercial and cargo air service to markets throughout the world.

NEBRASKA Center Stage

Take out a U.S. map to identify optimum logistics sites, and you'll find Nebraska right in the middle.

"Geographically, Nebraska is a center stage to both regional and national markets," says Ken Lemke, economist, Nebraska Public Power District (NPPD). "Interstate Highway 80, the most traveled east-west transcontinental route of the interstate highway system, offers 482 miles of quick access to every location in the nation.

"Through Nebraska's roadways, goods delivered by truck reach more than 25 percent of the U.S. population in just one day," Lemke adds. "Within two days, that percentage jumps to more than 90 percent."

NPPD's Economic Development Team provides a variety of services to assist Nebraska and its communities in their efforts to attract, retain, and expand businesses. These services are

available to customers of NPPD and its utility partners, as well as to companies considering Nebraska sites. In the logistics arena, the NPPD team has a lot to sell.

"Nebraska's relationship with Class I railroads is another key strategic advantage for companies that locate in the state," Lemke says. "Union Pacific, headquartered in Omaha, and BNSF Railway enable strategic supply chain delivery by way of direct, mid-continent routes. Because of these main rail centers, no major city in the United States is more than five days away by train."

A total of 10 freight railroads operate more than 3,200 miles of track throughout the state. Nebraska also is home to several of the nation's leading truck transportation companies, among them Adams Trucking, Crete Carrier Corporation, and Werner Enterprises. "In total, some 13,500 trucking companies call our state home," Lemke says. "Thus, from a resource perspective, we are well-positioned to take advantage of rail intermodal operations."

Helping substantially in this effort is the Nebraska Logistics Council, which operates under the umbrella of the Nebraska Trucking Association. "Members include corporate officers from Fortune 500 companies and major Nebraska companies, one-person organizations, account executives, and logistics support staff," explains Larry Johnson, president of the Nebraska Trucking Association. "Members have the opportunity to network and exchange ideas with others who face the same challenges and goals."

LOCATION HIGHLIGHT

Nebraska's utilities use a **balanced mix of resources**—including water and wind, coal, nuclear, natural gas, oil, and methane—to generate power. **Nearly 40 percent of its power generation is carbon-free,** which helps businesses support their sustainability initiatives.

Omaha's 408,000 residents provide a skilled labor pool for businesses locating sites in Nebraska.

SOUTHERN CALIFORNIA West Coast Advantage

When it comes to living in Southern California, the three "S" advantages apply: sun, sand, surf. But for logistics professionals, there is another "S" reason to recommend the region: speed.

"The West Coast, and specifically the ports of Los Angeles and Long Beach, are the Pacific gateway for products manufactured in Asia," says Lance Ryan, vice president of marketing and leasing, Watson Land Company, a Carson, Calif.-based industrial property developer, owner, and manager with sites throughout Southern California.

"The West Coast allows for the shortest all-water route to the United States," he continues.

LOCATION HIGHLIGHT

Because of the large Southern California population base, approximately **40 percent of all goods imported through the ports of Los Angeles and Long Beach** are distributed for local consumption.

"When retailers are identifying an entry point for products manufactured offshore, they consider timing, cost, and reliability. Even with the opening of the Panama Canal expansion in 2014, it will still be less expensive and faster to route freight to Southern California and land-bridge it from there to the Midwest."

Watson Land Company plays a part in the Southern California advantage. The company has developed several million square feet of master-planned centers within four miles of the ports of Los Angeles and Long Beach, which results in lower drayage costs and a significant increase in truck turns.

"Watson also has strategic master-planned centers within Inland Empire locations," Ryan says. "The sites allow for big-box distribution centers of 500,000 square feet or larger."

Watson Land Company carries a Foreign Trade Zone (FTZ) designation on more than eight million square feet of its distribution facilities. The FTZ designation allows shippers to significantly reduce operating costs through such methods as duty deferral and single weekly container entry, which reduces merchandise processing fees.

"The transportation infrastructure is critical to our distribution and manufacturing customers," Ryan says. "Our master-planned centers are developed within locations that provide easy access to major freeways, ports, airports, and intermodal rail. This provides customers speed and flexibility, whether they are transloading imports, exporting raw materials, or distributing their own manufactured products." ■

Watson Land Company's master-planned business centers near the ports of Los Angeles and Long Beach offer shippers lower drayage costs and increased truck turns.

California Ports **Make Waves**

With 840 miles of coastline, California boasts 11 publicly owned commercial ports. Geography plays a large role in California's success as a marine transportation leader. The ports of San Francisco and Oakland take advantage of coastal access provided by the San Francisco Bay, one of the world's greatest natural harbors.

These West Coast wonders are the Pacific gateway for goods from Mexico and Asia, with the ports of Los Angeles, Long Beach, and Oakland ranking among the country's top 10 import ports. In 2007, more than 40 percent of the total containerized cargo entering the United States arrived at California ports; and almost 30 percent of the nation's exports flowed through ports in the Golden State, according to the California Marine and Intermodal Transportation System Advisory Council. The Port of Los Angeles has been the country's top container port by volume for more than a decade.

California's ports also lead the nation in sustainability initiatives, implementing air and water quality monitoring, clean trucks, and vessel speed reduction programs.

Yet changes loom for West Coast ports. The 2014 opening of the Panama Canal expansion will likely divert some cargo traffic as ocean carriers adopt new all-water routes to East Coast ports–perhaps shifting up to 30 percent of freight, according to Page Siplon, executive director of Georgia's Center of Innovation for Logistics.

Surf the following pages for a sample of what five California ports have to offer.

Port of **Los Angeles**

MAIN CHANNEL **53'** DEPTH

www.portoflosangeles.org

ANNUAL TRADE DATA (2010)

VESSEL CALLS:
2,182

IMPORTS:
4 million TEUs

EXPORTS:
3.8 million TEUs

TOTAL TRADE:
7.8 million TEUs

CARGO FACILITIES & TRANSPORTATION ACCESSIBILITY

- 1,600 acres of container terminal backland
- 113 miles of rail on port property, handling more than 100 trains daily
- 660 million square feet of warehousing and distribution center facilities within 80 miles of the port
- 53-foot deep draft waterways to accommodate the world's largest containerships
- 50 berths (including five alternative maritime power berths)
- 75 container cranes (including 30 Super Post-Panamax Plus cranes)

TRADE PARTNERS

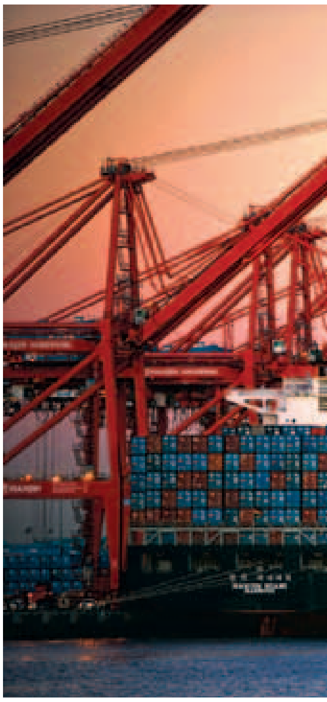
- China
- South Korea
- Japan
- Taiwan
- Vietnam

INBOUND COMMODITIES

- Furniture
- Footwear
- Toys
- Automobile parts
- Apparel

OUTBOUND COMMODITIES

- Paper
- Fabrics
- Grains
- Mixed metal scrap
- Pet food



Port of Long Beach

MAIN CHANNEL **76'** DEPTH

www.polb.com

ANNUAL TRADE DATA (2010)

VESSEL CALLS: 4,898

IMPORTS: 3.1 million TEUs

EXPORTS: 1.6 million TEUs

TOTAL TRADE: 4.7 million TEUs

CARGO FACILITIES & TRANSPORTATION ACCESSIBILITY

- Sits on 3,200 acres of land
- Operates 10 piers, 80 berths, and 66 Post-Panamax gantry cranes
- Seven container terminals
- Handles containerized; dry, liquid, and breakbulk; and roll-on/roll-off cargo
- 500 million square feet of warehouse and distribution facilities located nearby

TRADE PARTNERS

- China
- South Korea
- Japan
- Hong Kong
- Taiwan
- Vietnam
- Iraq
- Australia
- Ecuador
- Indonesia

INBOUND COMMODITIES

- Crude oil

OUTBOUND COMMODITIES

- Petroleum coke
- Recycled paper and metals
- Food

Port of Oakland

MAIN CHANNEL **50'** DEPTH

www.portofoakland.com

ANNUAL TRADE DATA (2010)

VESSEL CALLS: 1,973

IMPORTS: 1 million TEUs

EXPORTS: 1.3 million TEUs

TOTAL TRADE: 2.3 million TEUs

CARGO FACILITIES & TRANSPORTATION ACCESSIBILITY

- 1,210 acres of marine terminals, intermodal rail facility, and maritime support area
- 20 deepwater berths
- 35 container cranes (29 are Post-Panamax)
- 10 container terminals and two intermodal rail facilities
- Network of local roads and interstate freeways, warehouses, and intermodal railyards

TRADE PARTNERS

- China
- Taiwan
- Hong Kong
- Thailand
- South Korea
- Australia
- Vietnam
- Germany
- France
- Malaysia
- United Kingdom
- Netherlands
- India

INBOUND COMMODITIES

- Machinery
- Electrical equipment
- Apparel
- Furniture and bedding
- Beverages
- Toys and sports equipment
- Vehicles
- Plastic
- Coffee

OUTBOUND COMMODITIES

- Fruit and nuts
- Meat
- Machinery
- Beverages
- Vehicles
- Cereals
- Optical/medical
- Chemicals

Port of **San Diego**

MAIN CHANNEL **42'** DEPTH

www.portofsandiego.org

ANNUAL TRADE DATA (2010)

VESSEL CALLS: 563
DRY BULK: 1.6 million tons
BREAKBULK: 297,627 tons
CONTAINERS: 553,033 tons
LIQUID BULK: 178,822 tons
VEHICLES: 401,375

CARGO FACILITIES & TRANSPORTATION ACCESSIBILITY

- 96 nautical miles southeast of Los Angeles, just north of the U.S.-Mexico border
- Direct access to rail and three major interstate highways
- Transshipment facility for container, dry bulk, liquid bulk, refrigerated, vehicle, breakbulk, and project cargo
- The National City Marine Terminal is a specialized vehicle import/export facility
- The Tenth Avenue Marina Terminal sits on 96 acres and provides eight berths; a bulk loader and automated silo complex; and an on-dock cold-storage facility

TRADE PARTNERS

- Taiwan
- Mexico
- Ecuador
- Peru
- Australia
- Japan
- Vietnam
- South Korea
- Brazil
- China

INBOUND COMMODITIES

- Cement
- Sand
- Fertilizers
- Fruit
- Petroleum
- Automobiles
- Steel products
- Energy components, including wind, solar, and geothermal projects

OUTBOUND COMMODITIES

- Soda ash
- Borates

Port of **San Francisco**

MAIN CHANNEL **40'** DEPTH

www.sfport.com

ANNUAL TRADE DATA (2010)

VESSEL CALLS: 39
IMPORTS: 811,269 tons
EXPORTS: 30,273 tons
TOTAL TRADE: 841,543 tons

CARGO FACILITIES & TRANSPORTATION ACCESSIBILITY

- Six deepwater berths
- 394,00 square feet of covered storage
- Five gantry cranes
- On-dock rail
- Overweight truck corridor on all streets accessing terminals

TRADE PARTNERS

- China
- Taiwan
- Japan
- South Korea
- Indonesia
- Germany
- Denmark
- Luxembourg
- Netherlands
- Belgium

INBOUND COMMODITIES

- Steel products
- Boats and yachts
- Wind turbine components
- Project cargo
- Aggregate
- Sand

OUTBOUND COMMODITIES

- Tallow
- Used vegetable oil

Casebook

by Cindy H. Dubin

CSA Compliance Through TMS: A Beauty of an Idea

To comply with CSA 2010 regulations, global cosmetics company L'Oreal USA makes up a qualification program that holds carriers to high safety standards.

As a leader in the cosmetics and beauty industry, L'Oreal USA understands that consumer loyalty is based on trust and corporate responsibility. From product quality to sustainability efforts to supply chain security and safety measures, L'Oreal is committed to living up to consumer expectations. As part of that commitment to safety, and in its role as a large-volume shipper, L'Oreal recently implemented an innovative carrier-vetting program that helps ensure it uses only safe contract carriers to haul its freight.

Focusing on truck safety is vital because accidents involving tractor-trailers are common in the United States. In 2010, 500,000 large trucks and commercial vehicles were involved in accidents. As a result, 100,000 people were injured and 5,000 were killed, according to the Insurance Institute for Highway Safety.

The logistics sector continues to do its part to help bring down those numbers. Reducing incidents of freight damage, cargo theft, highway accidents, hazmat releases, and injuries to third parties is good business and good corporate citizenship.

For instance, the U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) issued a regulatory proposal to revise Hours-of-Service requirements for commercial truck drivers.

Then there's Compliance, Safety, Accountability (CSA 2010), an FMCSA initiative designed to assess and improve the safety performance of motor carriers and drivers so fewer crashes, injuries, and fatalities occur. CSA 2010 allows FMCSA to assess the safety performance of trucking companies, and gives the Administration the power to intervene in safety problems as soon as they become

CONTINUED FROM PAGE 99

apparent. FMCSA will enforce compliance with interventions ranging from a warning letter to penalty assessments.

CSA 2010 represents one of the most significant and challenging changes the industry has ever faced, according to some logistics analysts, and requires that shippers work closely with carriers and other service providers to mitigate their risks and costs, and prepare for the impact of implementation.

"As a shipper, L'Oreal USA is responsible for verifying that our contract carriers adhere to the safety provisions they have committed to – including complying with Department of Transportation (DOT) regulations, maintaining insurance coverage, and achieving satisfactory CSA 2010 scores," says Brad Moose, director of corporate transportation for L'Oreal USA.

Moose is aware that image is everything when L'Oreal products are on the road. "If a carrier has an accident while transporting L'Oreal products, the public could potentially associate our company with that accident," he says. "Besides people getting hurt hauling our load, an accident can also be damaging to our reputation."

Shippers today are exposed to legal liability arising from the conduct of their carriers. When a highway accident involves a motor carrier, shippers can be held liable. Claims against shippers are growing more aggressive and courts are becoming more amenable to these claims.

BECAUSE THEY'RE WORTH IT. L'Oreal is committed to using only safe carriers to transport its beauty products, and recently added a carrier assurance module to its TMS to track CSA compliance.

In an effort to maintain CSA 2010 compliance, L'Oreal implemented a transportation program that includes tighter carrier management. The company purchases raw materials at their point of origin and manages the inbound freight in an effort to control its pipeline and manage spending.

"We have to manage high-volume, short-haul lanes with different lead times in addition to regular inbound loads and local shuttle moves," explains Moose. "We make a deliberate effort to be a responsible shipper and do due diligence with our third-party carriers to be CSA-compliant and meet carrier insurance and protection requirements."

TMS GETS A MAKEOVER

To manage transportation, L'Oreal had already been using the *UltraShipTMS* transportation management system (TMS), a proprietary Web-based solution from third-party logistics provider Ultra Logistics, based in Fair Lawn, N.J.

Moose presented the idea that by adding a module to its TMS, Ultra Logistics could help L'Oreal, and other shippers, satisfy CSA regulations. That idea developed into the Ultra Logistics Carrier Assurance Program.

To develop the program, L'Oreal's first step was to give a list of its carriers to Ultra Logistics, which then created a vendor database and online profiles for each carrier. To create the profiles, the program solicits information from L'Oreal's carriers about their operation and infrastructure, such as size, number of terminals, drivers, and other relevant data.

All carriers undergo a comprehensive qualification process that includes: insurance verification; fraud and alias search; safety record review; operating authority and history documentation; a digitally signed carrier contract; third-party logistics references; and number of years in service, notes Nicholas Carretta, president of Ultra Logistics.

"We've expanded our TMS to meet the existing need of a customer," says Carretta.

The system proactively monitors carriers and receives immediate notifications of any DOT safety changes, motor carrier authority status, insurance policy details, base of operations location, and CSA 2010 scorecard. All the information is input to a database managed by Ultra Logistics, and the data is refreshed weekly based on the information culled from various government carrier databases.

"I want all the information I can get," says Moose. "If there are any updates to our carriers' status, Ultra Logistics notifies us immediately via e-mail. If a red flag is endemic, we know there is a deeper issue and can react accordingly—pulling that carrier from our network, for example."

They say that beauty has its price, but not in this case. Getting the Carrier Assurance Program up and running involved minimal start-up costs and a nominal monthly subscription fee, Moose notes.

"Because the solution is Web-based, there is no hardware or software to purchase," explains Carretta. "And, if a shipper is already using our TMS, we know who their carriers are, which reduces the cost for the database."

ATTRACTIVE DATA

An added benefit of the Carrier Assurance Program for L'Oreal is that Moose has usage data on all 80 of the company's inbound carriers. He now knows exactly how many times a carrier is being used to transport product. "Like other big shippers, 80 percent of our carrier spend is with a small group of carriers," he explains.

"There is no doubt that L'Oreal has a much better handle on keeping costs down by finding lower price options, because the program gives Moose and his team visibility to why they are using a particular carrier for reasons other than cost," says Carretta. The idea, he says, is to mitigate risk and find the best carrier to partner with for the long-term.

With the L'Oreal Carrier Assurance Program in full force, Moose says he is now interested in adding another shade of color to its abilities by implementing a carrier contract archive that would serve as additional protection as L'Oreal and its carrier partners move forward.

"It's not about what's on the truck; it's a value-add for our business," says Moose. "Programs like this demonstrate to consumers that we've gone above and beyond." ■

White Paper Digest

Industry experts amass supply chain management best practices and skill sets, and invest in new research and evaluation tools. Now you can benefit. *Inbound Logistics* has selected this collection of whitepapers that will give you a jump on important supply chain issues. For more information on any of these whitepapers, visit the Web sites listed below.

Management Dynamics

TITLE: ***10+2 Vital Facts about the Importer Security Filing***
LENGTH: *19 pages*
DOWNLOAD: *http://bit.ly/mgmtdynamics6*
SUMMARY: This eBook covers 12 vital facts that importers must be aware of to successfully comply with the ISF regulations, known as 10+2, including answers to many frequently asked questions.

GENCO ATC

TITLE: ***Secondary Market Sales***
LENGTH: *6 pages*
DOWNLOAD: *http://www.genco.com/secondary-market-sales-1*
SUMMARY: To protect retail sales of new product, some retailers and manufacturers do not aggressively resell returns and other distressed inventory in the secondary market. But new brand protection strategies can reduce or eliminate brand protection risks while maximizing recovery value on store returns, excess inventory, closeouts, irregulars, and seasonal items.

C.H. Robinson Worldwide, Inc.

TITLE: ***Going Global: Building a Sustainable Logistics Model in the Age of Globalization***
LENGTH: *12 pages*
DOWNLOAD: *http://bit.ly/robinson6*
SUMMARY: Globalization has created boundless opportunities for both large and small companies around the world and has also ushered in a more competitive business environment. This C.H. Robinson whitepaper reviews the essential areas of expertise that a company must master in transportation and logistics in order to capitalize on these opportunities. Topics include:

- Understanding globalization and the changing world.
- Global transportation essentials.
- Why global business requires a global TMS.

Kewill

TITLE: ***Parcel Shipping/LTL Freight: Industry Survey Findings & 10 Best-Practice Recommendations***

LENGTH: *11 pages*

DOWNLOAD: *http://bit.ly/nSJbcD*

SUMMARY: Kewill's latest whitepaper features results from the 5th annual survey on the state of the parcel shipping and LTL market. The results are based on responses from more than 800 logistics professionals, almost three-quarters of whom have global responsibility in their jobs. The report also provides 10 recommendations for shipping best practices. Focus areas of the report include:

- Economic environment and its effect on shipping operations.
- Carrier and service selection.
- Mode optimization.
- Optimization planning tools.

Kiva Systems

TITLE: ***Creating a Distribution Powerhouse: Why Rapid Deployment Matters***

LENGTH: *7 pages*

DOWNLOAD: *http://www.kivasystems.com/2011/inboundlogistics_sept2011*

SUMMARY: Ask yourself this: what would your opportunity costs be if your distribution operations could not accommodate changes in volumes, product assortments, or delivery timelines? The speed to deploy materials handling, add capacity, and change operations is critical for long-term success. Fast system deployment can be the difference between kicking the competition out of the water and limiting your growth. Read this whitepaper to learn how to create a distribution powerhouse.

Panasonic Solutions Company

TITLE: ***Improving Customer and Driver Satisfaction with Mobile Technology***

LENGTH: *2 pages*

DOWNLOAD: *http://bit.ly/rqehSM*

SUMMARY: Labatt Food Service is a San Antonio, Texas-based distributor of food and food-related products to restaurants in Texas, Oklahoma, and New Mexico. The company is widely recognized in the food service distribution industry as an innovative, customer-focused, and high-energy leader. In 2008, Labatt decided to use technology to improve driver satisfaction and delivery efficiency. After exhaustive research, the company selected the Panasonic Toughbook® U1 running on the AT&T mobile broadband network as their solution. Since adopting the solution, Labatt has seen process efficiency improvements and a reduction in fuel consumption. And, driver turnover has been cut in half.

Purolator International, Inc.

TITLE: ***Border Hassles That Can Put the Canadian Market Out of Reach: What Your Business Should Know***

LENGTH: *18 pages*

DOWNLOAD: *http://bit.ly/qbO6a7*

SUMMARY: This whitepaper discusses regulatory and logistical hurdles U.S. businesses must be aware of when shipping across the U.S./Canadian border. These challenges must be understood and addressed as part of the cross-border experience. Transporting goods into Canada is a complicated process. Regulations and protocols are constantly changing, and U.S. businesses must entrust their Canadian-bound shipments to a qualified logistics provider that ensures shipments are afforded every trade enhancement, priority clearance review, and duty/tax reduction to which they are entitled.

WhitePaperDigest

Ryder

TITLE: ***5 Lean Guiding Principles for the Supply Chain - Principle 3: Standardization***

LENGTH: *13 pages*

DOWNLOAD: *http://bit.ly/qC6rqZ*

SUMMARY: Ryder's Lean Guiding Principles are the foundation for operational excellence in all its customers' warehouses. Principle 3 is Standardization: ensuring all work follows established, well-tested procedures. With processes designed to make work flow correctly, employees have the instructions and tools they need to meet customer expectations.

Crown Equipment Corporation

TITLE: ***Forklift Fleet and Operator Management: Optimizing Return Through Phased Implementation***

LENGTH: *10 pages*

DOWNLOAD: *www.crown.com/usa/fleetoptimization/index.html*

SUMMARY: While many warehouse and materials handling managers continue to face pressure to reduce costs and improve productivity, most industry reports show that these same managers are reluctant to implement a comprehensive forklift fleet and operator management program that could help achieve business goals. Cost and complexity are often cited as insurmountable barriers. This doesn't have to be the case, according to this new whitepaper by Crown Equipment Corporation. Download the whitepaper today for an outline of multiple paths businesses of varying sizes can follow, based on organizational objectives.

Zebra Technologies

TITLE: ***Improve Truck Freight Carrier Productivity And Cost-Effectiveness with Mobility Technology***

LENGTH: *10 pages*

DOWNLOAD: *http://bit.ly/qkYrx6*

SUMMARY: As many businesses have already discovered, mobility technology delivers exceptional benefits to a wide range of operations. Handheld computers, networking, and mobile thermal printers are proven productivity enhancers. When deployed to truck freight carriers, drivers could quickly enter information into networked handheld computers, scan labels, or tag shipments with bar-code or radio frequency identification (RFID) labels. In fact, personnel throughout a trucking enterprise could benefit from instant access to accurate information–while in the office, at the customer location, or on the road. For more, download this free whitepaper today.

Share your whitepaper with *IL* readers!

WhitePaper Digest **is designed to bring readers up-to-date information on all aspects of supply chain management. We're building a database of SCM whitepapers, and you can help. E-mail us with whitepaper recommendations: editorial@inboundlogistics.com**

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IN THIS SECTION:
3PLs • Air/Expedited

3PLs

GENCO ATC • www.genco.com

GENCO ATC provides third-party logistics for manufacturers, retailers, and U.S. government agencies. The company's supply chain solutions deliver initial and ongoing value by combining supply chain technology, industry-best experience, and lean Six Sigma philosophy into solutions that generate savings for clients.

Jacobson Companies • www.jacobsonco.com

Jacobson Companies is a leading third-party logistics company providing end-to-end supply chain solutions that include warehousing and distribution, contract packaging and manufacturing, freight management, customs brokerage, and international ocean and airfreight forwarding. Jacobson can offer expertise in a wide range of industry verticals including food and beverage, consumer packaged goods, chemicals, healthcare/life sciences, durable goods, consumer electronics, retail, and industrial/automotive. What can we do for you? Contact us at 800-636-6171 or visit our Web site at www.jacobsonco.com.

Werner Enterprises, Inc. • www.werner.com

Werner Enterprises, Inc. is a premier transportation and logistics company, with coverage throughout the United States, Canada, Mexico, and China. Werner maintains its global headquarters in Omaha, Neb., offering 24/7 service 365 days a year. Werner is among the five largest truckload carriers in the United States, with a portfolio of services that includes long-haul, regional and local van capacity, temperature-controlled, flatbed, dedicated, and expedited. Werner's value-added services portfolio includes import and export freight management, PO and vendor management, truck brokerage, intermodal, load/mode and network optimization, and global visibility. Internationally, Werner provides freight forwarding and customs brokerage services, and is a licensed NVOCC.

AIR/EXPEDITED

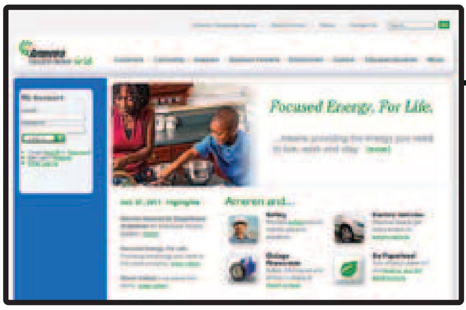
MidAmerica St. Louis Airport • www.flymidamerica.com

Newest cargo airport in the Midwest. Located at the intersection of U.S. Interstates 70, 55, 64 and 44, near the Mississippi River and accessible to rail, the airport is an ideal intermodal location. MidAmerica features a 50,000-square-foot passenger terminal; 50,000-square-foot cargo building; 8,000- and 10,000-foot runways that are dual ILS approach capable. Visit www.flymidamerica.com for more information.

IN THIS SECTION:

Economic Development – Global Trade

ECONOMIC DEVELOPMENT



Ameren Corporation • www.ameren.com

St. Louis-based Ameren Corporation is a Fortune 500 company dedicated to generating electricity, delivering electricity, and distributing natural gas to 3.2 million customers throughout Illinois, mid-Missouri, and the St. Louis Metropolitan Area. Ameren's professional development team serves as a complete source for business assistance services. For more information, visit Ameren's Web site: www.ameren.com.

FREIGHT FORWARDERS

AIRSCHOTT, Inc. • www.airschott.com

AIRSCHOTT, Inc., founded in 1977, is involved in various aspects of international and domestic transportation. Our operating licenses and services include: Licensed Customs Broker (#7584), Air Freight Forwarder (CNS), Indirect Air Carrier (Consolidator), Duty Drawback Specialist, FMC Licensed OTI (#4399NF–Freight Forwarder and NVOCC), Insurance Broker (Marine & Bonds), Foreign Trade Zone Operator, and Trucker. We are C-TPAT certified and validated. We specialize in the handling of sensitive and "special needs" cargo, including time-sensitive shipments, perishables, hazmats, USML goods, oversized/overweight, and high-value merchandise.

GLOBAL LOGISTICS

Ryder • www.ryderscs.com

Ryder provides a complete array of leading-edge supply chain, warehousing, and transportation solutions for multiple industry sectors in North America, the United Kingdom, and Asia. Services range from developing supply chain strategies to managing and executing day-to-day logistics operations. Integrated solutions for optimizing and managing the flow of products, currency, and information all draw upon the company's expertise in supply chain management.

GLOBAL TRADE

Management Dynamics • www.managementdynamics.com

Management Dynamics is a leading provider of global trade management solutions that transform the performance of global supply chains for importers, exporters, and logistics service providers. With more than 20 years of experience working with some of the world's largest and best-known companies, our solutions synchronize the flow of information among trading partners, optimize supply chain execution decisions, and streamline cross-border trade. Our solutions are currently deployed to over 14,000 users in 70 countries, and our customer base includes some of the world's leading retailers, manufacturers, and logistics providers.

WEB_CITE CITY

www.inboundlogistics.com/web_cite

IN THIS SECTION:

Logistics IT – Ocean/Intermodal

LOGISTICS IT

Magaya Logistics Software Solutions Inc. • www.magaya.com

Magaya's software solutions cover the complete logistics process within the supply chain – from placing sales orders to delivering the merchandise at the final consignee. During this process, customers can follow their orders' status online using Magaya's tracking tools. Designed for the global marketplace, Magaya's multi-currency, multi-language solutions automate your entire organization and provide award-winning communication features.

MagicLogic Optimization • www.magiclogic.com

MagicLogic's Cube-IQ software represents the state-of-the-art in load planning software. It is built around the best loading engine on the market and will give you optimal volume/weight utilization. Cube-IQ comes with its own database, data import/export, 3D load diagrams, and reporting. MagicLogic also offers the Cube-IQ BlackBox for integration into other software and Web sites. All versions have built-in modes of operation for container, truck, rail car, and ULD loading, palletization, and cartonization.

MATERIALS HANDLING

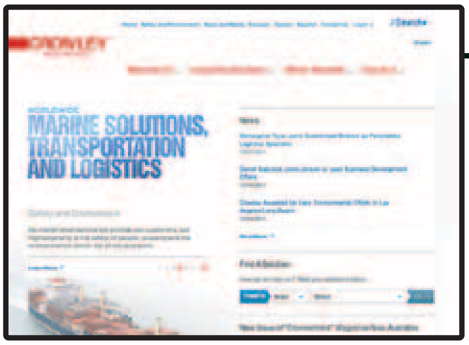
Sealed Air • www.sealedairprotects.com

Sealed Air is a leading global provider and manufacturer of a wide range of packaging and performance-based materials and equipment systems that serve food, medical, and an array of industrial and consumer applications. For more than half a century, Sealed Air employees around the globe have applied deep understanding of customers' businesses to deliver innovative packaging solutions. Operating in 51 countries, Sealed Air's widely recognized and respected brands include Bubble Wrap® cushioning, Fill-Air® Inflatable Packaging, Jiffy® protective mailers, and Instapak® foam-in-place systems.

OCEAN/INTERMODAL

APL • www.apl.com

APL, a wholly owned subsidiary of Singapore-based Neptune Orient Lines, provides customers around the world with container transportation services through a network combining high-quality intermodal operations with state-of-the-art information technology. APL helps customers grow their business – whether that is venturing into new territories, exploring new business opportunities, or growing in already developed markets. With more than 150 years' experience, APL has the knowledge and the expertise to help you negotiate the increasingly complex and ever-changing global marketplace.



Crowley Maritime Corp. • www.crowley.com

If you think Crowley offers just ocean freight services, think again. Sure, it provides liner shipping and cargo carrier services throughout Latin America, Puerto Rico, and the Caribbean Basin, employing the latest vessels, equipment, and communication technologies. But Crowley is also one of the most diversified transportation companies in the world, developing innovative supply chain solutions backed by deep relationships throughout the region, far-reaching resources, and an impeccable reputation worldwide. With its extensive shipping capacity, as well as thousands of containers, trailers, and other intermodal components, Crowley ensures the reliability of every link in your supply chain.

PORTS

Georgia Ports Authority • www.gaports.com

The Georgia Ports Authority (GPA) includes the Port of Savannah, the Port of Brunswick, the Bainbridge Inland Barge Terminal, and the Columbus Inland Barge Terminal. Its home page offers history and background about the Ports Authority, a port directory, shipping directory, GPA statistics, maps, photos, and more.

Port Corpus Christi • www.portofcorpuschristi.com

Strategically located on the western Gulf of Mexico, Port Corpus Christi is the sixth-largest port in the United States in total tonnage. With a straight, 45-foot deep channel, the port provides quick access to the Gulf, the U.S. inland waterway system, and the world beyond. The port delivers outstanding access to overland transportation with on-site and direct connections to three Class I railroads, and uncongested interstate and state highways. With outstanding management and operations staff, Port Corpus Christi is clearly "More Than You Can Sea."

Port Metro Vancouver • www.portmetrovancouver.com

Port Metro Vancouver is Canada's largest and busiest port, a dynamic gateway for domestic and international trade, and a major economic force that strengthens the Canadian economy. It is also a port with a history of commitment to the environment, to its operating communities, and to innovation. Explore this Web site to learn more about the port and what it does.

IN THIS SECTION:
Ports • Project Logistics

Port of Long Beach • www.polb.com

The Port of Long Beach is one of the world's busiest seaports, a leading gateway for trade between the United States and Asia. During the next 10 to 15 years, the Port of Long Beach plans to create at least four container terminals of more than 300 acres each and to build at least one other large terminal. The new terminals will have dockside rail facilities, which allow cargo to be transferred directly between ships and trains. Such transfers speed deliveries between Long Beach and markets nationwide. For more information on the advantages and services offered by the Port of Long Beach, visit www.polb.com.

Port of Los Angeles • www.portoflosangeles.org

The Port of Los Angeles – America's Port® and the premier gateway for international commerce – not only sustains its competitive edge with record-setting cargo operations, but is also known for its groundbreaking environmental initiatives, progressive security measures, and an emerging LA waterfront. The port encompasses 7,500 acres of land and water along 43 miles of waterfront. It features 25 passenger and cargo terminals, including automobile, breakbulk, container, dry and liquid bulk, and warehouse facilities that handle billions of dollars worth of cargo each year.

Ports America Chesapeake • www.portsamerica.com

Ports America Chesapeake's new 50-foot draft berth and four super-post-Panamax cranes will be completed by August 2012. In addition to the Seagirt container terminal, Ports America Chesapeake operates Dundalk Marine Terminal, Port of Baltimore's largest and most versatile general cargo facility that includes Ports America Packaging. As the largest stevedore and terminal operator in the United States, we provide ocean, intermodal, freight stripping, skidding, cradling, shrink-wrapping services, and more. For information, call 410-631-5950 or visit www.portsamerica.com.

PROJECT LOGISTICS

Transera International (C.H. Robinson Worldwide, Inc.)
www.transera-intl.com

Founded in 1985, Transera specializes in transporting complex, high-value project freight for the oil and gas, mining, wind power, EPCM, energy, machinery and equipment, and infrastructure industries. Headquartered in Calgary, Canada, Transera is a wholly owned subsidiary of C.H. Robinson Worldwide, Inc., one of the largest third-party logistics providers of transportation and supply chain services in the world. For more information, visit www.transera-intl.com or www.chrobinson.com.

IN THIS SECTION:
Real Estate • Trucking

REAL ESTATE

Intramerica Real Estate Group • www.intramerica.com.mx

Intramerica Real Estate Group, a wholly owned subsidiary of GE Commercial Finance Real Estate and leading real estate investor in Mexico, provides strategic locations and excellent working environments in Mexico for more than 200 blue-chip tenants. By leveraging a long-standing partnership with one of Mexico's leading park management and construction firms, Intramerica is ideally positioned to offer the best alternative to manufacturing and logistics businesses looking to establish or expand operations in Mexico. Member of NASCO.

Watson Land Company • www.watsonlandcompany.com

Watson Land Company is a developer, owner, and manager of industrial properties throughout southern California. With a legacy spanning more than two centuries, Watson's dedication to customers is based on delivering functional, high-quality buildings within masterplanned centers, coupled with unmatched customer service. Watson Land Company's long-standing tradition of integrity, innovation, and fiscal responsibility has made it one of the region's most respected names in commercial real estate and one of the largest industrial developers in the nation.

TRUCKING

Nussbaum Transportation Services, Inc. • www.nussbaum.com

Setting New Ideas in Motion; that is what Nussbaum Transportation Services has been doing for the past 65 years. Nussbaum provides regional and national truckload services, dedicated contract carriage, and third-party logistics throughout the continental United States and Mexico. Applying the latest technology, customized solutions, and personal service, Nussbaum is able to ensure shipments arrive on time, every time. Our team loves the creative challenge of designing efficient transportation solutions to meet our customers' needs. Innovation, integrity, and perseverance have made Nussbaum a trusted carrier of choice.

YRC • www.yrc.com

If you are looking for seamless transportation throughout Canada, Mexico, and the United States, look to YRC. The carrier's reliable two-day, three-day, and coast-to-coast service connects key markets with guaranteed delivery windows. YRC also offers dedicated protective services for a single shipment or entire trailer; special project and logistics management; and transportation and logistics for import and export shipments. Find out more about YRC by visiting the Web site.

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3PLs

Brightpoint Inc.

A 200,000-square-foot reverse logistics and repair center in Plainfield, Ind., provides returns management, testing, diagnostics, repair and refurbishment, and asset recovery services for the wireless communications industry. Brightpoint operates similar facilities in Fort Worth, Texas, and Puerto Rico.

www.brightpoint.com 877-447-2355

Exel

Exel announced plans to construct a 250,000-square-foot distribution facility in Laredo, Texas. The warehouse will serve cross-border shippers across multiple sectors, including technology, automotive, engineering, and manufacturing. It will incorporate sustainability features such as energy-efficient lighting, landscaping, and building materials, as well as low-flow plumbing and a recycling program.

www.exel.com 877-272-1054

Kuehne + Nagel

A new logistics facility inside Contecar Port in Cartagena, Colombia, provides 107,000 square feet of warehouse space and 11,000 pallet positions at full capacity. The site, which includes the option to add 215,000 square feet of warehouse space, serves as Kuehne + Nagel Group's South American hub.

www.kuehne-nagel.com 201-413-5500

OCEAN

CaroTrans

Global non-vessel-operating common carrier (NVOCC) and ocean freight consolidator CaroTrans partnered with

▲ **Materials Handling: Hyster Company**

A new series of AC-powered OrderPickers offers lifting capacities of 1,500 to 3,000 pounds. Models include the heavy-duty counterbalanced R30XM3, with travel speeds up to 6.5 mph; standard-duty counterbalanced R30XMS3; R30XMA3 straddle selector; and R30XMF3 furniture selector.

www.hyster.com 800-HYSTER-1

CONTINUED FROM PAGE 113

Consolidated Shipping Services (CSS) Group, an NVOCC and total logistics company headquartered in Dubai, to offer comprehensive full containerload, less-than-containerload, breakbulk, out-of-gauge, and Ro/Ro cargo handling services to and from North America, the Middle East, and Africa. CaroTrans offers weekly direct consolidation services to Dubai from its primary gateways in Los Angeles, Houston, Chicago, Atlanta, Charleston, and New York.

www.carotrans.com 908-624-1880

Panalpina

Panalpina launched three new direct less-than-containerload services through its in-house carrier, Pantainer Express Line. The guaranteed weekly services are inbound to Singapore from Phnom Penh, Cambodia; Haiphong, Vietnam; and Cebu, Philippines. With transit times of three days from Phnom Penh, six days from Haiphong, and nine days from Cebu, the service offers an alternative to existing containerload and airfreight services in these markets.

www.panalpina.com 973-683-9000

AIR

China Cargo Airlines

China Cargo Airlines now operates direct cargo service from Lambert-St. Louis International Airport to Shanghai. Airport Terminal Services, in partnership with Worldwide Flight Services, performs cargo warehouse and aircraft ground handling functions for the flights.

www.china-airlines.com 310-646-4293

SOFTWARE

OnAsset Intelligence

The latest version of the *Vision Software Platform*, which tracks high-value cargo using OnAsset's SENTRY devices, allows shippers to set threshold limits for transported assets to monitor temperature, pressure, humidity, light, motion, shock, and vibration. Users can also create virtual perimeter geo-fences that track cargo location from origin to destination. *Vision* can save settings for frequent transit or repeat shipments.

www.onasset.com 972-659-1619

FastPic Systems

The new zone-handling feature of *FastPic5* inventory management and control software allows users to define zones within a warehouse or storage unit, then assign specific inventory to the defined zones. Assigning zones can increase picking productivity, improve ergonomics, and boost kitting and subassembly operations efficiency.

www.fastpicsystems.com 207-854-866

Infor

Infor10 Supply Chain Execution combines warehouse and labor management, billing, and transportation planning functions into one solution. The application automates inventory management and movement activities to reduce inventory levels where possible, and efficiently manage product shelf life to avoid the need to scrap outdated products.

www.infor.com 800-260-2640

Expedited: UPS

UPS introduced PharmaPort 360, a new airfreight container for healthcare products, providing shipment monitoring and protection for temperature-sensitive pharmaceuticals, vaccines, and biological supplies. Powered by an AC rechargeable battery, the container maintains strict temperatures by using both heating and cooling storage technology, allowing it to tolerate a significantly wider range of extreme ambient temperature changes, while maintaining for more than 100 hours temperatures critical for protecting medicines that need to stay within the required 35-46°F range to prevent spoilage.

www.ups.com/pp360 800-PICK-UPS

CONTINUED FROM PAGE 115

Epicor Software Corporation

The *Epicor Distribution Express Edition* on-demand enterprise resource planning solution includes functionality for managing customers, sales orders, inventories, operations, and accounting. Additionally, embedded business intelligence functionality provides real-time insight into a distributor's performance and key metrics.

www.epicor.com	800-999-1809

PACKAGING

Sealed Air

Sealed Air's Quick Shot Delivery Solution retrieves cushions from a bin fed by a Fill-Air 2000 or Fill-Air Cyclone system, and delivers them directly into boxes on the packing line. The system automatically replenishes a specified number of bags after the operator tears or tugs on the bag chain, speeding delivery of the fill materials to streamline packing operations.

www.fillair.com	800-648-9093

MOBILE APPS

Con-way Freight

The enhanced Con-way Freight Tools app for Web-registered users allows shippers to request a personalized rate quote for less-than-truckload shipments within the United States and Canada. Available for iPhone, Android, and BlackBerry, the app also provides tools to track shipments, view shipping documents, and locate and call service centers.

www.con-way.com/mobile	734-757-1444

TomTom

The PRO 9150 TRUCK fleet management tool combines truck navigation and GPS tracking in a single portable device. It routes around known dimensional and weight restrictions, enables two-way messaging, and relays vehicle activity information to fleet managers via WEBFLEET, TomTom's online fleet management application.

www.business.tomtom.com	978-287-9555

SERVICE PARTS DISTRIBUTION

Meritor Inc.

Improvements to Meritor's Aftermarket Services division's operations include a new tugger-and-cart system that reduces travel time needed by shipping conveyors and improves productivity by 15 percent;

expanded fixed storage locations, which optimizes internal order processing routing; consolidated bulk order processing, which allows partial pallet orders to be combined with other parts; and a high-velocity pick zone that reduces congestion and improves productivity by 25 percent.

www.meritor.com	248-435-1000

TRUCKING

Averitt Express

Averitt Express expanded warehouse operations in Marietta, Ga.; Greenville, N.C.; and McAllen, Texas. All locations offer both dock and office space, as well as value-added warehousing and international distribution services, including container transloading.

www.averittexpress.com	931-520-5109

Estes Express Lines

Nationwide origin-to-final-mile logistics solution E-Street Direct offers delivery options such as four-hour delivery windows with advance calling; expedited service; room of choice; and debris removal, recycling, and disposal. Integrated technology provides visibility throughout the shipment process.

www.estes-express.com	866-ESTES4U

▶ Materials Handling: Hamilton Caster

Manufactured in the United States, the PB1108 platform cart features an all-steel frame, hardwood deck, and Moldon Rubber wheels that reduce required starting force by as much as 20 percent compared to competing models.

www.hamiltoncaster.com	800-733-7655

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November 13-15, 2011, Intermodal Expo and TransComp Exhibition, Atlanta, Ga. Explore the latest products and services for freight transportation and distribution operations at this trade show, hosted by the National Industrial Transportation League and the Intermodal Association of North America. Educational sessions address topics such as CSA implementation, chassis management, and capacity solutions. Speakers include Secretary of Transportation Ray LaHood and astronaut Captain Mark Kelly.

800-796-2638
www.freightexpo.net

February 6-9, 2012, MODEX 2012, Atlanta, Ga. At MODEX 2012, sponsored by the Material Handling Industry of America, connect and network with industry peers and learn the latest manufacturing, distribution, and supply chain trends and technologies from leading experts in three keynotes and 70 educational seminars. Attendees can also register for several co-located education partner events hosted by organizations such as the Council of Supply Chain Management Professionals, the American Society of Transportation and Logistics, and the Georgia Tech Supply Chain and Logistics Institute.

800-446-2622
www.modexshow.com

February 7-9, 2012, Reverse Logistics Association Conference and Expo, Las Vegas, Nev. Seminars cover reverse logistics-focused topics of interest to original equipment manufacturers, retailers, and third-party service providers. Learn the latest best practices and strategies for returns processing, service logistics, transportation, recycling, warranty support, and asset management.

801-331-8949
http://rltshows.com

April 22-25, 2012, COSTHA Annual Forum and Expo, Savannah, Ga. The Council on Safe Transportation of Hazardous Articles presents expert guidance on navigating the continually evolving regulations for shipping dangerous goods. The program's diverse offerings explore new technologies, regulatory requirements, legal trends, and strategies for protecting your corporate profits through enhanced compliance, risk management, best practices, and training.

703-451-4031
www.costha.com

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  www.kuwaitsupplychain.com 965-2531-7601

- **MODEX 2012** pg. 97
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  www.modexshow.com 800-345-1815

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  www.magaya.com 786-845-9150

- **MagicLogic Optimization** pg. 19
  MagicLogic's *Cube-IQ* load planning software helps you optimize your inbound and outbound shipments.
  www.magiclogic.com 888-274-8616

Maritime Services

- **Lewis & Clark Marine Inc.** pg. 81
  Lewis & Clark Marine Inc. operates Lewis & Clark Marine Service, which performs barge fleeting and switching within the St. Louis Harbor. It also operates dry bulk transfer companies Bulk Service and Bulk Service of Tyler Street; and general commodities transfer service Mid-Coast Terminal Company.
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3 Number of people at your location.
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3 ◯ Agri., Construction, Engineering, Mining
4 ◯ Utilities (Water, Power, Electric, Gas), Telecommunications
5 ◯ Transportation, Logistics & Supply Chain Services (Carrier, Broker, Freight Forwarder, Transportation Intermediary, 3PL, Warehouse/DC)
9 ◯ Other: ______________________

5 Your job classification.
(CHECK THE BEST ONE)

N ◯ Corporate Management
Q ◯ Logistics, Transportation, Traffic Mgmt.
P ◯ Supply Chain Management, Purchasing, Procurement
R ◯ Warehousing, Distribution, Inventory, Materials Management
S ◯ Operations, Production, Quality Mgmt.
T ◯ Customer Service, Marketing, Sales Mgmt.
Z ◯ Other: ______________________

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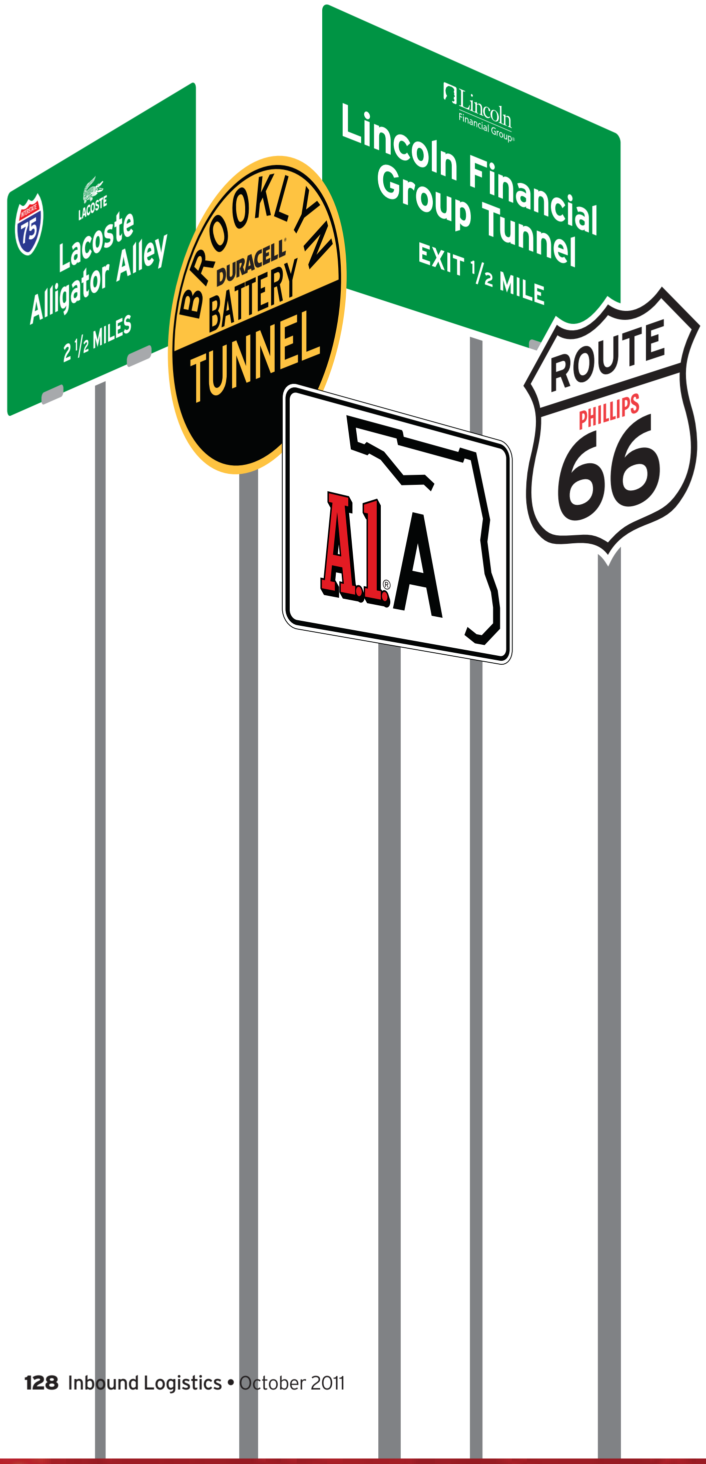

This Transportation Infrastructure Brought To You By…

The United States has to find new ways to pay for roads and bridges – either through technological or financial innovation – or learn to live without them, experts agreed at a Metropolitan Planning Council forum recently held in Chicago. With the Highway Trust Fund on the verge of insolvency, there is growing urgency to find a solution.

Inbound Logistics brainstormed one solution that borrows from the sports marketing world, where corporate sponsorship has become a money grab. Owners and franchises are as consumed with selling the naming rights to new stadiums and arenas as they are selling out seats. What if the highest bidder could sponsor important transportation infrastructures, past and present? Who would want what?

Here's our best list of guesses:

ROUTE	SPONSOR
Golden Gate Bridge (San Francisco)	**Golden Corral restaurant chain**
The historic Dixie Highway (connecting Chicago to Miami)	**Georgia Pacific, proud owner of the Dixie Cup brand**
The Flathead Railroad Tunnel (Whitefish, Mont.)	**The Home Depot**
Blue Ridge Parkway (Virginia and North Carolina)	**Pabst Blue Ribbon Beer**
Half Chance Iron Bridge (Marengo County, Ala.)	**Bally's Casinos**
James Brown Soul Center of the Universe Bridge (Steamboat Springs, Colo.)	**Motown Records**
No Name Tunnel (I-70 and Glenwood Springs, Colo.)	**Go Daddy**

What did we miss? If you have any transportation infrastructure sponsorship suggestions send them to editor@inboundlogistics.com

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