



INBOX

INDUSTRY NEWS

Ground Dims vs. Oversize Rules Begin

Earlier this year, DHL announced it would be changing the way it determines dimensional weight on oversized shipments. Effective September 2, 2007, DHL uses a new dimensional weight system for oversized Ground shipments and the company's former Oversized 1, 2 and 3 charges cease to apply. FedEx® and UPS® made similar changes to their shipment rating rules earlier this year. Companies who send oversized ground shipments will likely be impacted and may wish to examine the packaging sizes they use to ship products, since small nuances in various box sizes can make a difference.

BAX Global Joins Forces with Schenker

BAX Global and Schenker (both part of DB Logistics, the Transportation and Logistics Division of Deutsche Bahn AG) are in the process of integrating around the world, joining forces to become the industry's leading logistics provider. The joint organization has a team of about 55,000 experts at 1,500 locations in 150 countries. Together Schenker and BAX are now the world's #1 in European land transportation, #2 in worldwide air freight, #3 in worldwide ocean freight, #6 for global contract logistics and #3 for North American integrated heavy freight.

DHL to Carry Olympic Flame

DHL has embarked on a journey of hope across five continents from June to October. The shipping company is the Global Partner of the Special Olympics Law Enforcement Torch Run for the 2007 Special Olympics World Summer Games. DHL recently participated in the symbolic Torch Lighting Ceremony in Athens before commencing its task to transport the Flame of Hope across the world to the Opening Ceremony of the Games in Shanghai on October 2, 2007.

Shipping: Past and Present

As Unishippers celebrates its 20th anniversary this year, we have been reflecting on our two decades of providing superior shipping solutions to thousands of businesses. However, those 20 years are only a fraction of the rich and colorful history of express shipping in the United States. Today's shipping industry bears little resemblance to the industry of 30 years ago, and even less resemblance to the industry of 150 years ago. The types of goods transported, the geographic scale of the marketplace and the transportation and communications technology used have all changed dramatically.

The birth of the U.S. express shipping industry dates back to the mid-1800s with the horses and stage-coaches owned by Henry Wells. Founded in 1852, Wells Fargo became one of the first private express carriers in the nation, creating a formidable enterprise for mail and package delivery and banking. At that time, both industries were unregulated, while mail delivery service had been subject to the statutory monopoly of the Postal Service since 1792. A typical Wells Fargo newspaper advertisement stated that it specialized in shipping "gold dust, bullion, specie, packages, parcels and freight of all kinds, to and from New York and San Francisco."



Arguably the most famous "express" service for letters was the Pony Express, a fast mail service crossing the continent from the Missouri River to the Pacific coast. Operating from April 1860 to October 1861, the company contracted riders who carried messages on horseback across the prairies and mountains of the West, reducing the time for mail to travel between the coasts to about 10 days. Though heavy on romance and legend, the business was unprofitable and short-lived, and was replaced by the Transcontinental Telegraph in 1861.

Mail and package transport technology was changing rapidly during this period. Coast-to-coast commerce and travel had been provided predominantly by sea. But that all changed on May 10, 1869, when the Central and the Union Pacific Railroad lines were joined at Promontory Summit, Utah, and the Transcontinental Railroad was completed. Naturally,

this event further revolutionized the movement of mail, packages and goods across the country.

Now skip ahead half a century to January 1913, when the U.S. Postal Service began to offer Parcel Post service to customers. Due to its excellent pricing and availability, the service expanded rapidly and was widely used and even sometimes abused. The Smithsonian Institution's Postal Museum notes one amusing instance in which a child was transported by Parcel Post because her parents found the rates cheaper than passenger service.

During the ensuing years, private companies have sought to capitalize on the ever-increasing need for express services separate from the government-owned Postal Service. In 1907, Jim Casey founded the American Messenger Company in Seattle, which eventually became UPS. DHL was founded in San Francisco in 1969 by Adrian Dalseg, Larry Hillblom, and Robert Lynn, who used the initials from their last names to christen their newly launched air courier service between California and Hawaii. In 1973, former U.S. Marine Fred Smith began operations for Federal Express in Memphis, Tennessee. Fierce competition among these three carriers has positively impacted the industry, resulting in healthier commerce in markets around the globe.

Much has changed over the past 150 years. Today, shippers can send letters and packages to destinations around the world overnight. Express carriers like DHL, UPS and FedEx employ massive fleets of airplanes and trucks to move customers' shipments around the clock. In fact, DHL alone has more than 72,000 vehicles in its enormous worldwide network, delivering 1.8 billion packages annually to 120,000 destinations in 225 countries — quite a change from the days of the lonely Pony Express rider on the dusty Great Plains.

Like many other industries, technological advances and human ingenuity in response to economic demand have indelibly shaped the shipping industry — and businesses across the world benefit.

Customer Chronicles

Houston-based Mortgage Bank Relies on Unishippers

Brandi Dyche was looking for a solution to a shipping challenge. As the accounting administrator for her company's multiple branch locations throughout the nation, Brandi had been searching for a shipping company that could accommodate their need to set up multiple accounts, intended to streamline the billing process and reduce the shipping hassles for each branch. She found her solution in Unishippers.



Created in 1998, Network Funding, LP, began as a wholesale mortgage lender and eventually evolved into a hybrid retail mortgage origination company. The company's emphasis is to create an entrepreneurial environment, which attracts highly motivated, professional loan origination personnel. Their Houston-based Support Center offers a variety of services to its loan officers, including accounting and payroll services, as well as operations, IT and marketing support. Armed with this strong support and competitive loan products, Network Funding's loan officers are able to focus on what they do best — originating new loans.

As part of her job in the accounting support group, Brandi wanted to find a better way for loan officers to ship their paperwork, while taking advantage of the combined volume of all branches to secure deeper discounts. "With locations all over the U.S., we needed to get important files from our branch locations to our office so we could underwrite and fund the loans," she says. And while extremely reliable shipping options at competitive rates is a crucial part of the company's business, Brandi says loan officers don't want to worry about that relatively mundane aspect of their business.

Other shipping carriers to whom she talked were somewhat hesitant to provide the branches with the level of service she needed. So when Brandi approached Unishippers with the idea of creating and servicing individual accounts for each branch location, she was

somewhat surprised when the Unishippers staff acted like the request was nothing out of the ordinary.

Today, the company has the shipping process down to a science. "Melisa Standly, our contact at Unishippers, is always quick to contact our new locations with a welcome kit and lets them know the service is available for them to use," Brandi explains. She adds that her relationship with the Unishippers Houston office is terrific. "I really could not ask for better support — anytime I need assistance, I can just pick up the phone or send over an email and they're on it." She loves the fact that when she calls in, she has a dedicated person at the office who resolves her issues quickly. "Other carriers make you call into a general 800 number, which means you get a different person each time," she says.

Overall, Brandi says the Express service from DHL has been good and notes that while all couriers make occasional mistakes, Unishippers brings extra value to the relationship as her advocate with the carrier to resolve problems. "Melisa and her group at Unishippers have really gone above and beyond for us."

Ship Freight Fast with Freight Manager

Did you know Unishippers can handle your freight too? Unishippers Freight Manager is a powerful online freight management system designed to meet your freight distribution needs. Freight Manager will get your products to customers faster and more economically.

For a **FREE**, no obligation **DEMO** of Freight Manager or for more information on our freight services, contact your local Unishippers office or visit www.freightmanager.com for a self-guided tour.

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Did **U** Know?

Making Sure Your Cargo Shipments Are Properly Insured

Is your cargo adequately insured? If you do not know the answer to this question now, you will certainly find out when you suffer cargo loss or damage. Even if you do not think that you will ever make a claim, it is important to realize that accidents can and do happen. Many people erroneously believe that carriers cover all losses since they only export FOB or import CIF (see explanations below). Other businesses believe they already have an adequate cargo policy or that their cargo is safe from loss and damages. However, before it's too late, ask yourself the following questions:

Is the cargo carrier's insurance sufficient?

Carriers can and do limit their liabilities to values, which are often significantly lower than the value of your cargo. The law only requires an insurable maximum amount based on weight (this maximum

amount differs depending on the carrier type); payable claims are therefore capped. In addition, you must prove that the carrier is liable for the damages to your cargo. There also may be more than one carrier involved in moving your cargo to its point of destination, making it increasingly difficult to prove liability.

Are FOB and CIF the right approach for exports and imports?

As an exporter, you have a maximum interest in the goods until you have received full payment. Exporting goods under FOB conditions (meaning "Free On Board" indicating that the seller pays for transportation of the goods to the port of shipment, plus loading costs) can leave you exposed to loss. For instance, portions of the voyage in question may not be adequately insured or may not be insured by the buyer at all. If a loss occurs and you have not been fully paid for your goods, you could potentially be in a severe loss situation.

When an order is requested "CIF Destination" (Cost + Insurance + Freight), the buyer pays the seller the cost of the product plus transportation (freight) and insurance for the products to reach the destination. The seller then arranges transportation and pays insurance during transit, so that if the shipment is lost, the seller will receive the benefit of insurance for shipment and be

responsible for replacing the lost shipment to buyer.

Depending on whether you're importing or exporting, either scenario (FOB or CIF) can expose you to risk, since the built in insurance cost is often hidden and the scope and range of the insurance is not always adequate.

How often do accidents really happen?

While accidents don't often occur, they happen enough to warrant concern that an accident may one day involve your goods. Why take that unnecessary risk? By making sure your goods are adequately covered, you'll enjoy greater peace of mind.

Does my own insurance policy provide sufficient coverage?

Your own insurance policy may or may not provide sufficient coverage, so you may want to have your Unishippers shipping consultant compare the rates and scope of the coverage of your existing insurance with coverage from one of Unishippers' trusted vendors.

Contact your Unishippers office to make sure your cargo shipments have adequate protection. As the shipping company that works for you, we want to make sure you are protected.

SAVING



Time, Trouble and Money

Trade Show Shipping Tips



Trade show season is here and delivering your shipments efficiently can sometimes be a tricky endeavor. Which carriers are reliable? What accessorial fees can you expect? Who will pay additional fees in the event of a mishap? The shipping experts at Unishippers can provide you with answers to these questions. Here are five tips to ensure your trade show shipments are cost effective and hassle-free.

Carriers with trade show experience make a difference.

There are special requirements unique to trade show freight. Inexperienced carriers could cost you your position in the unloading queue or access to the dock completely. Consult your Unishippers shipping consultant for specific carrier recommendations, including those carriers that offer guaranteed on-time delivery.

Know if your carrier and your event hall are union or non-union.

Using a non-union carrier to deliver to a union event hall could cost you precious time, so you should find out the status of the event hall. We can tailor your delivery as needed.

Consider these things before signing a contract.

What happens if delivery does not go as planned? Unishippers can help you make sure your contract covers every possible contingency:

- Besides transport costs, what other fees might you encounter?
- Does the contract cover damage insurance?
- In the event of a mishap, will the carrier cover air freight to ensure on-time delivery?

Put it in writing.

Be certain the driver is aware of timing in regard to pickup, delivery and setup at the event, and understands move-in/move-out procedures. These procedures should be put in writing. Also, be sure to indicate carrier of choice on your bill of lading upon departure. Failure to do so may result in your shipment going home with the event house carrier.

Develop a communication plan.

Even with the best intentions, unexpected situations may arise. Develop a communication plan in the event of a last-minute or emergency situation. Have the name of an on-site supervisor to coordinate drivers and deliveries and keep you informed of their progress.

If you'd like more information on shipping for an upcoming trade show, don't hesitate to call us.



Celebrating 20 Years of Service

