

FREIGHT FORUM



The Fourth Quarter at Tucker

The traditional fourth quarter peak season is here, and like last year within the freight shipping industry, many shippers are experiencing a less robust market than in prior years, though certain segments of the markets are quite busy. Through this time period, Tucker Company continues to grow expeditiously.

Through careful planning, great relationships with both customers and carriers, a strong team and a little bit of good luck, we are continuing our solid growth and expansion. Our expansion includes additional field offices, more office space at headquarters and hiring additional people to keep pace with our rapid growth.

We opened two new field offices in 2007. In the spring we opened a Boston, MA field office and on October 16 we began operating a branch of our Dedicated Logistics Division from our new Albany, NY field office — both field offices are staffed by company employees. We are also hiring for two new sales positions. As we stated in prior months, Tucker's headquarters is expanding to add roughly 50% additional space and capacity. The construction is progressing nicely and on time.

On October 3, 2007, we were pleased to welcome back Rossie Knight (formerly Grasser) from 13 months of active military duty. Rossie is a senior customer service coordinator and is now working from our Albany field office, managing service to some of our Dedicated Logistics accounts. Paige Webster joined Tucker Company as executive assistant, supporting the Tuckers and Hugh McLaughlin.

Tucker Company's consulting business is developing nicely and is beginning to establish itself quickly as a leader in the area of motor carrier qualification; insurance and risk analysis, standard of care/contract harmonization and general risk assessment. Tucker has presented on these issues numerous times in the past year in various national venues.

Early in October, we hosted our first Carrier Appreciation Golf Outing at Riverton Country Club, here in New Jersey. It was well attended by many carriers. We had a fantastic time. After golf, most of our sales and customer service team joined everyone for dinner. It provided a chance for us to say "thank you" and for some newer members of our team to meet some of our carrier friends for the first time.

On a bittersweet note, we are left a little bit empty around the office now that Bridget Wherrity has retired to care for her family. Over her 12 years at Tucker, many countless callers of Tucker Company have gotten to know Bridget Wherrity. Among her many important and unbelievably varied duties here, it was Bridget's voice when callers dialed "0" for assistance. People who know her, know her as a strong, sweet, caring person and a dynamic worker and team player. Congratulations and thank you, Bridget.

Sincerely yours,

Jeff Tucker, CTB, CEO

Vol. 8B, Issue 8

In this issue

NCC Loses its Anti-trust immunity	2
Stay Granted in Hours of Service	2
Jeff Tucker named to TIA's Legislative Committee Chair	3
Golf Outing Raises Nearly \$7,000	3
Tucker in Dubai	4
Did You Know?	4

National Classification Committee (NCC) Loses its Antitrust Immunity. What Does This Mean to You?

We have had a lot of discussions and questions relating to the Surface Transportation Board's (STB) decision eliminating the NCC's and its peer organizations' antitrust immunity, to set rates and freight classification schedules. So, we thought we would include a discussion of this in our newsletter. As with anything, we invite other thoughts or opposing viewpoints.

On May 7, the STB ruled to eliminate approximately 60 years of antitrust immunity granted by the federal government to the National Classification Committee (NCC) and its peer organizations. The NCC, and other groups like Southern Motor Carriers (SMC3), etc., are essentially groups of motor carriers who collectively evaluate each type of freight

type for density, transportability, etc., establish a freight classification for each type, then establish a yearly rate base for each freight classification. Participating carriers, and indirectly, non-participating carriers, then implement those rates into their operations. The rate bureau decisions impact the entire LTL industry.

Antitrust immunity for NCC was an old-world leftover from the days of heavy regulation (1930s-1978). It was also one of the most contentious, one-sided protectionist regulations left on the books. Debates on the topic at national conventions and other venues were heated to say the least.

Tucker Company's policy position since deregulation in 1980 has been to support efforts to deregulate pricing,

and promote business by contract. Tucker Company is pleased with the STB's decision and has supported this policy move for many years in many organizations. Tucker Company is actively involved in various trade associations. Nearly all of those associations agree that the NCC should be stripped of its antitrust immunity and that the market alone should establish pricing parameters to move freight between parties. Shipper and 3PL organizations generally see this STB decision as an enormous win for shippers.

So what effects will this have on shippers or Tucker? We agree with other close observers that the National Motor Freight Classification (NMFC) which is the NCC generated tool defining every product's class, is probably not going away, nor does this

ruling eliminate the NCC. Rather, what the ruling does say is that shippers and carriers must agree together on any future changes. While participating carriers of NCC and other bureaus obviously do not wish to lose such an important edge — that of setting rates and classifications together under protection of law — many carriers have already taken pricing and tariff generation in-house, relying on the NCC and other rate bureaus for validation and benchmarking.

Today's shippers and carriers have mastered the fundamentals of negotiating together. The ruling will force us to think and negotiate a little differently, but also provides the assurance that shippers and 3PLs will be negotiating freely.

Stay Granted in Hours of Service (HOS)

The American Trucking Association (ATA) and the Federal Motor Carrier Safety Administration (FMCSA) as well as shipper groups, petitioned the U.S. Court of Appeals for the District of Columbia to stay its decision overturning the HOS rules implemented in 2004. The groups were looking for up to a 12 month stay, to provide time for FMCSA to issue interim rulings and for industry to adjust. The Court issued a stay, though only through December 27, 2007.

Significant investment has been made in carrier terminal locations, shipper distribution center locations, new factory locations, etc., during the past several years — all of which may be made less efficient or useless if significant changes are made to HOS.

The court's decision overturned two key HOS provisions: the 11 hours of driving per day clock and the 34 hours of consecutive rest to restart to the work

week. The decision was based on a technicality and did not consider that during the two years studied since the new HOS went into effect, truck related fatalities hit all time lows vs. total miles driven.

It appears that trucking capacity will be getting tighter on December 28, due to this decision. A silver lining? It's a stretch, but at least the rules don't take effect during the busy shipping season.

Jeff Tucker named to TIA's Legislative Committee Chair

On Tuesday October 9, Jeff Tucker was appointed chairman of the Transportation Intermediaries Association (TIA) newly formed Legislative Committee.

The appointment was made by Doug Clark, chairman of the TIA.

Among the objectives of the Legislative Committee Charter are – to provide an over-arching view of the policy concerns affecting the third party logistics (3PL) industry for the TIA CEO, VP Policy, the Board and Policy Committees; and to provide insight into the activities of sister associations and assist in the representation of TIA before those associations.

TIA is the professional organization of the \$114 billion 3PL industry. It is the only organization exclusively representing transportation intermediaries of all disciplines doing business in domestic and international commerce. TIA is the voice of transportation intermediaries to shippers, carriers, government officials, and international organizations. TIA is the United States member of the International Federation of Freight Forwarder Associations FIATA.



Tucker's Freight Forum Blog to Launch Soon

Tucker Company will be launching the electronic version of this newsletter late in 2007 as a blog. The blog will be named after our newsletter, "Tucker Company's Freight Forum Blog." We have been looking for an easy way to catalog online our newsletters for easy retrieval both internally and by customers, carriers and industry. Our webmaster and web designer's solution was to launch the blog. At some point in 2008, Customers, Carriers and industry friends who receive our paper newsletter will have the choice to receive it electronically, in paper or both.

The online, free encyclopedia Wikipedia defines a Blog as "...a website where entries are written in chronological order and commonly displayed in reverse chronological order. 'Blog' can also be used as a verb, meaning to maintain or add content to a blog. Many blogs provide commentary or news on a particular subject..."

Tucker Company in the Philadelphia Inquirer

On Sunday October 14, the Philadelphia Inquirer newspaper ran a business page cover story on the trucking industry's challenges, from crumbling infrastructure to states selling off highways, to introduction of tolls on non-toll interstates, to HOS and more.

Jeff Tucker appeared and was quoted in the beginning of the article and again at the end. Please see the article on our website or go to:

<http://www.philly.com/philly/business/10532827.html>

We wish to thank the Inquirer and writer Henry Holcomb for covering a story in a full, comprehensive fashion that brought our industry's vital concerns to the attention of the public. Rarely does the industry get such popular and needed attention.

Tucker's Outing Raises nearly \$7,000 for Alzheimer's Association

We are pleased to announce that our 8th Annual Golf Outing benefitting the Alzheimer's Association (www.alz.org) was a great success, and marked our largest event so far, raising \$6,951.50 for the Alzheimer's Association.

Tucker's total golf outing contributions are over \$33,900, with nearly 40% of those proceeds generated in just the past two years.

We wish to thank our many customers, friends and business partners who joined us for the great day. Thanks to our gracious sponsors whose donations made the day more fun. Our sponsors included: Johnson & Johnson, Geiger Brothers, Kaiser & Blair, Vernon Company, WB Mason, Inbound Logistics Magazine, John A. Gentle & Associates, Hafetz & Associates, Citizen's Bank, Cave Flight School, Pinnacle Financial Associates, Accu Staffing Service, Gober & Associates, Aljex Software.

The Alzheimer's Association is the leading voluntary health organization in Alzheimer care, support and research. Its mission is to eliminate Alzheimer's disease through the advancement of research; to provide and enhance care and support for all affected; and to reduce the risk of dementia through the promotion of brain health.



Happy 80th Birthday Betty Atkinson!

In October, the staff at Tucker helped Betty Atkinson, an administrative department team member here, celebrate her



80th birthday. Betty is also a member of Tucker's growing 20-Year club, having started her career at Tucker in 1986. Earlier in her career, Betty worked for Myles Transportation in Southern New Jersey. Happy birthday Betty!

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Did You Know

In addition to our freight services, Tucker Company has the capabilities to transport Mobile Homes. As a third party freight management company we have partnerships with mobile home carriers to provide yet another valuable resource for our shippers. Another reason to call us for all of your transportation needs!



Tucker in Dubai, U.A.E

At the time this newsletter was written, our CEO Jeff Tucker was in Dubai. He was attending an international logistics and freight forwarder conference and exposition. The purpose of the trip is for Tucker Company to continue developing our extensive network while building even stronger relationships with our growing global network of logistics providers.