

Use it or lose it

We are at the time in the journey that our founding fathers started in the writing of the constitutions, section 8 The Commerce Clause. **Article I, Section 8, Clause 3** of the United States Constitution, known as the **Commerce Clause**, empowers the United States Congress "To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes."

The importance of commerce and transportation regulation has entered what could be the final phase, unless we "beam it up Scottie"

What has happened since the Motor Carrier Act of 1980 (MCA) started this deregulation and the recent STB (surface transportation board) May 4, 2007 ruling to end antitrust immunity was the final blow to eliminate the inefficient system in effect today.

As a society we tend to now be "politically correct" and group or lump many different meanings into a one correct excepted meaning. What this does it take away all the detail and years of acquired knowledge and learned specific lessons to a group or individual, and not let you separate your system and ideas from the masses. Couple this with our "fast food" approach, and you have a system burdened with useless, meaningless and inefficient by the book confusion.

The current NMFC, NCC system is much like the Rosetta stone that had great meaning to only a few, and most of them dead. We do not have the expertise that was once needed to work the system. What has happened was a surge to eliminate all the NMFC and lump all the 18 classes, or groups of the classes and apply a "FAK" (freight all kinds). Antitrust was given to the carrier's, and all the carriers proceeded to complicate the system with rules, and procedures to make changes. There was opportunity for input from shippers, but few had the time or the skills.

Enter the STB ruling and the doors are open to adjust and modify not only for NMFC/NCC bureau, but carrier collectively determined rates (rate bureaus).

Wow I won the lottery, but what do I do with all this money?

Not many had prepared to enter into a new pricing/classification system and even less where ready to take the risk that comes with new ideas and systems.

I predict the carriers:

- Offering their independent rates as always.
- Excepting a rate base that is common to the industry now.
- Using a density/cube/space© for class conversion.

The 3 PL and freight bill auditing companies agreeing to the above, and offering a custom solution the will integrate with your existing systems to make the conversion low risk and seamless.

Our Task

You have an opportunity to find out what your company's current skill levels are and what thinking out side of the box will do to reduce supply chain cost. Exploring this new solution (s) can have a huge positive impact on the bottom line. You should be ready for an epiphany. The STB decision will open up the industry to adopt and re-define a system that will have continuous improvement.

One such epiphany happened when containers were first introduced 50 plus years ago. The bottom line:

In 1959 the industry was loading and unloading 0.627 tons per man hour. By 1976, with **container** shipping well established, the figure was 4,234 tons per man hour. A ship's time in port shrank from three weeks to 18 hours.

In 1950, an average commercial vessel could carry 10,000 tons at a speed of 16 knots. With **container** shipping, the average commercial vessel carried 40,000 tons at a speed of 23 knots. The numbers are even larger today.

Be prepared for gains in efficiency, visibility, labor cost, international shipping, and reduction in claims and useless methods that are still tied to this old antitrust system.

Why not try to “containerize” your domestic shipments?

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Hank Mullen of the Visibility group is available for group instructions, and as a speaker.