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Jennifer Smith

The Rush Is On to Secure Holiday-Season Warehouse Space

Retailers are hustling to find more space for goods before an expected crush of online orders this fall swamps already-strained logistics networks. Companies expect online sales “to be one of their primary movers” in the fourth quarter, said Zach Thomann, executive vice president of online fulfillment provider PFS, a division of PFSWeb Inc. whose customers include cosmetics merchants Kiehl’s and Shiseido Co. and sports apparel brand Champion.

PFS expects a large portion of holiday sales to migrate online, prompting the company to scout for more warehouse space, plan additional hiring for the peak season for e-commerce fulfillment, and consider adding automation to increase capacity. Clients are shifting inventory to additional locations to speed delivery of online purchases, Mr. Thomann said, and are also looking to use retail stores to fulfill orders.

Merchants and brands that met with soaring e-commerce demand during lockdowns expect consumers to stick to online shopping as the coronavirus pandemic continues its grip on the U.S.

Source: https://www.wsj.com/articles/the-rush-is-on-to-secure-holiday-season-warehouse-space-11596136191?mod=djemlogistics_h, July 30, 2020

Consumers spent a record $73.2 billion online in June, up 76% from June 2019, according to Adobe Analytics, which tracks activity on thousands of websites. Online shopping is now above typical holiday levels, Adobe said.

Source: https://edition.cnn.com/2020/08/07/business/ups-shipping-price-increase/index.html , August 7, 2020

Jordan Valinsky

Your UPS packages could get a lot more expensive this fall

Shopping online during the upcoming holiday season could get more expensive if it’s delivered by UPS. The company will begin imposing surcharges of several dollars on companies that ship a huge amount of items this fall and early winter, anticipating rising costs as more people shop online because of coronavirus. UPS reported better-than-expected earnings last week because of the surge in online shopping, with demand for residential deliveries surging 65%, and its average daily volume increased 23% in the second quarter.

The new fees won’t affect customers shipping small items at the UPS Store or other places. The fees are intended for what the company calls “large volume customers,” and it’s unclear whether retailers like Amazon, Target, and others will pass the added costs onto customers. For some companies, those hefty fees could be hard to absorb, and they might end up in your shipping bill.

For a company that ships more than 25,000 packages per week, the surcharge will cost between $1 to $4 depending on whether it’s delivered via ground or air.

UPS (UPS) decides the fee depending on the company’s shipping volume in February of this year, prior to the pandemic hitting the US.

Fees will be implemented from November 15, 2020, through January 16, 2021.

“UPS routinely adjusts its pricing to align with the cost to serve our customers, enabling the company to be appropriately compensated for the service and value we provide,” a company spokesperson told CNN Business, adding that the new surcharges “reflect current market conditions caused by the pandemic.”

“A Smile is happiness you’ll find right under your nose.”

Tom wilson

Attitude is a little thing which makes a big difference

Winston Churchill

Dare to dream then decide to do

Annette white

Michael Levans

Process and technology in balance

Technology is a useful servant but a dangerous Master

Fall has always been my favorite time of year. A new school year begins, the air becomes crisp and clean, and the leaves begin to burst into the colors of autumn—all signals that the season of traditions is right around the corner.

One tradition that will continue this year regardless of the pandemic is the release of the "Annual Study of Logistics and Transportation Trends," a study that Logistics Management refers to as "The Masters of Logistics."

Now in its 29th year, the study has been recognized over this time as the ultimate report card on overall logistics operations performance. Through the survey, our research team, consisting of Mary Collins Holcomb, Ph.D., of the University of Tennessee, and Karl B. Manrodt, Ph.D., of Georgia College, dig in to reveal the percentage of freight dollars being spent by mode, share updated performance metrics by mode, and identify any major shifts in transportation spending and technology adoption. Holcomb and Manrodt have once again put context around the findings starting on page 20. Over the past three years, Holcomb and Manrodt have also used the study to put more focus on the key factors driving digital transformation in our logistics operations, including the need for improved visibility and overall performance.

In fact, this year they found that the increasing performance pressures being placed on logistics operations due to the rise of digital commerce and the manic supply/demand imbalance caused by the pandemic are clearly pushing operations along the digital transformation path. But first, says Manrodt, logistics managers tell us that they need to find internal balance before they apply the technology.

"One of the themes that continues to surface is that while it's understood that technology is a key part of digital transformation in freight transportation

Source: https://www.logisticsmgmt.com/article/process_and_technology_in_balance , september 18, 2020

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management, respondents now realize that strategy, structure, and processes must be aligned accordingly to generate new ways to create value for their operations and supply chain partners," says Manrodt.To make that a reality, the research team suggests that the front-office interface with the customer must now be fully integrated with the back-office internal support activities and systems all through logistics and distribution. "Unfortunately, many companies tell us that they still struggle with seamless integration both internally and externally—a key factor in our quest for a digital supply chain," says Holcomb. "We're still falling short." Of course, this all needs to begin with having effective processes in place matched up with the timely information necessary to better manage those processes.

"Respondents know that supply chain information needs to move seamlessly across company boundaries," adds Manrodt. "That will require a collaborative network—closed or open—of shippers and carriers working together on a single platform. The next step is actually allowing that information to flow."

Jeff Berman

Freight railroad stakeholders herald 40th anniversary of the Staggers Act

With this week marking the 40th anniversary of the landmark Staggers Act, various freight railroad stakeholders have banded together to take a look back at how it has fundamentally shaped the sector since it was enacted.The Staggers Act, which was named for the late West Virginia Rep. Harley Staggers and signed into law by President Jimmy Carter on October 14, 1980, has provided myriad benefits for freight railroad stakeholders, according to the Association of American Railroads (AAR).

The Staggers Act, as explained by AAR, played a pivotal role in dismantling a stifling web of overburdensome regulations. In its place, a market-based system emerged, transforming railroads into entities that operate much like other businesses. AAR

Source: https://www.logisticsmgmt.com/article/freight_railroad_stakeholders_herald_40th_anniversary_of_the_staggers_act , October 15, 2020

highlights that this transformation has led to significant advantages for rail customers, or shippers. Notably, they have witnessed increased network productivity and substantial reductions in rail rates—now standing 43% lower than those of 1981 when adjusted for inflation.

Furthermore, AAR underscores the broader benefits stemming from the Staggers Act's established framework. For instance, since 1980, freight railroads have invested a cumulative $710 billion in their operations, averaging around $25 billion annually in recent years. AAR emphasizes that these investments not only fuel economic growth but also play a crucial role in meeting the escalating demands of freight while seamlessly connecting American businesses and communities to global markets—all achieved without placing any burden on taxpayers.

The Surface Transportation Board's (STB) Chairman Ann Begeman, Vice Chairman Martin Oberman, and Board Member Patrick Fuchs received a letter from GoRail, a Washington, D.C.-based concern representing freight railroad industry stakeholders.

This letter, supported by more than 1,000 individuals, including seven former U.S Transportation Secretaries, former members of Congress, and state and local officials, echoed many of the themes highlighted in a landmark bipartisan legislation.

The legislation was deemed necessary due to decades of rigidly prescriptive federal overregulation that had severely impacted the U.S. freight rail network.

According to the letter, bankruptcies were commonplace, rail rates were rising, safety was deteriorating, and rail infrastructure and equipment were in poor condition.

The Staggers Act, implementing a balanced system of economic regulation, marked a turning point. It allowed railroads to manage their assets and pricing, leading to substantial investments in the rail network.

Since then, U.S. freight railroads have invested hundreds of billions of dollars, resulting in doubled rail traffic, more than doubled rail productivity, a decrease of over 40 percent in rail rates, and recent years being the safest on record.

In a recent newsletter, AAR President and CEO Ian Jefferies emphasized the importance of preserving the delicate regulatory balance established by the Staggers Act. Jefferies highlighted that the Staggers Act, hailed as one of the most successful bipartisan pieces of legislation by Congress, has empowered freight railroads to innovate, adapt, and reinvest in the rail network. The letter's authors also urged the Surface Transportation Board (STB) to uphold the regulatory framework provided by the Staggers Act. This framework has played a crucial role in enabling the freight rail industry to thrive and contribute to ongoing advancements in the sector.

"It is hard to believe it has been 40 years, but it is something that our industry is celebrating and recognizing, and our industry is educating and re-educating policymakers and other stakeholders because the impact of this legislation continues to be felt to this very day," he said.

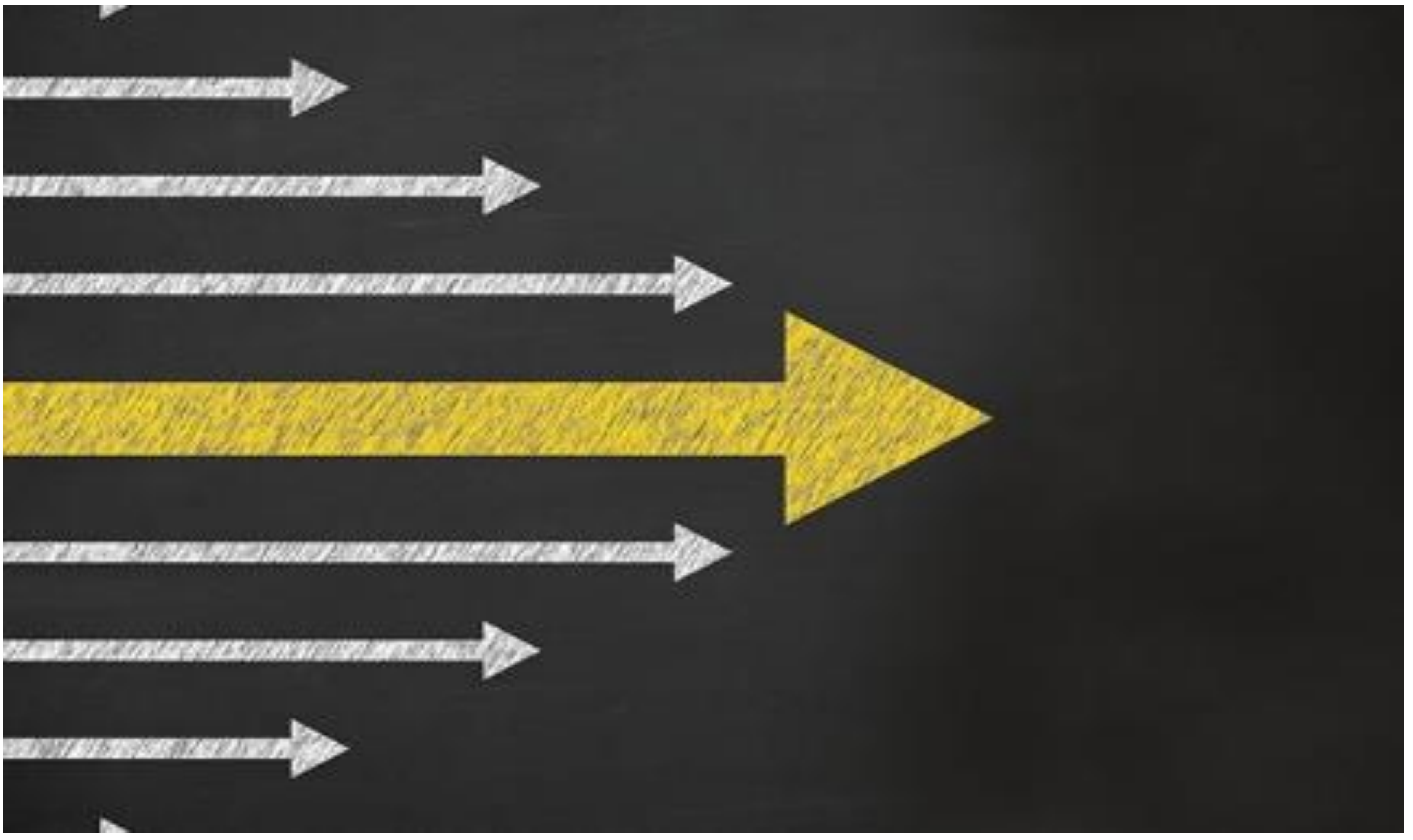
"When President Carter signed the Staggers Act, he said that it would help assure a strong and healthy future for our nation's railroad and benefit shippers throughout the country by allowing railroads to improve equipment and better tailor service to shipper needs. That is exactly what became of the legislation…and what it enabled. It is a textbook case of two parties of disparate interests coming together to develop smart commonsense outcomes-based solutions to solve, at the time, what was really a national challenge, which was the health of the freight railroad industry."

When asked to put the principles of the Staggers Act into perspective, as they related to the era in which it was enacted, Jefferies noted that in 1980, the freight rail sector was not too far off the tracks from being in ruins, with around 25% of the industry at or near bankruptcy.

And he said that the term "a standing derailment" was thrown about, from time to time, which indicated a railroad was collapsing under the unhealthy tracks and equipment underneath it, meaning the industry was in dire straits.

"That was due largely to an overly interventionist federal regulatory role that really controlled how railroads operated, set rates, required service to be run, where it was not rational to run service," he said.

"So the Staggers Act really allowed railroads to start acting in a market as an industry that lets the market dictate rates and lets competition play out. What that did for railroads was to allow them to rationalize their networks, for both the size of the network and the routes that they ran, to start to charge market rates. The outcome of that is a rail network across the country that has been investing billions upon billions of dollars of its own capital back into its network over the past 40 years, resulting in the best condition that this centuries-old industry has ever been in and the envy of the world. You have a railroad operating in the safest manner it has ever operated in, rail rates 42%-to-45% lower, when adjusted for inflation, than they were in 1980, and service is higher."



Source: https://www.logisticsmgmt.com/article/national_freight_strategic_plan_is_issued_by_u.s._department_of_transportat , September 4, 2020

National Freight Strategic Plan is issued by U.S. Department of Transportation

At a time when the current federal transportation authorization—the FAST (Fixing America's Surface Transportation) Act—is set to expire at the end of September, the United States Department of Transportation. (DOT) issued a National Freight Strategic Plan (NFSP) this week.

DOT Secretary Elaine Chao emphasized that the plan focuses on bolstering the nation's economic competitiveness through long-term investments in infrastructure, the workforce, and other key components of the national freight system. She noted the challenges faced by the current freight system, including disruptions from e-commerce, increased demand for last-mile deliveries, and the impact of innovative technologies.

Chao highlighted the importance of the NFSP in guiding national freight policy, programs, initiatives, and investments. The plan defines the U.S. DOT's vision and goals for the national multimodal freight system, assesses conditions and performance, identifies barriers, and outlines strategies to achieve its objectives. It was developed through a multiagency effort, involving extensive consultation with stakeholders in the public and private sectors.

The NFSP outlined four principles to guide U.S. DOT's strategic leadership, including modernizing regulations, improving collaboration, providing targeted federal resources, and investing in freight data and research. Additionally, the plan focuses on national freight policy strategic goals, emphasizing safety, infrastructure, and innovation.

The strategic objectives for infrastructure, crucial for supply chain, logistics, and freight transportation stakeholders, include targeted investments in freight capacity, improved consideration of freight in transportation planning, prioritization of projects enhancing freight connectivity, and the development of methodologies to identify freight bottlenecks.

> "Strategic planning is worthless unless there is first a strategic vision."
>
> -John Naisbitt

Randy Mullett, principal of Mullett Strategies, expressed optimism about the plan's release, highlighting its efforts to understand freight and provide a framework for better investment decisions. Leslie Blakey, president of the Coalition for America's Gateways and Trade Corridors (CAGTC), praised the plan, emphasizing its importance in addressing challenges such as safety, network efficiency, infrastructure condition, and barriers to freight system performance. She looks forward to the future release of the National Multimodal Freight Network to provide a systematic structure for infrastructure investment, as called for in the FAST Act.

Emirates to Build Massive $950mn Engineering Facility at Dubai World Central

Emirates, the world's largest international airline, has unveiled plans for a significant US$950 million investment in the construction of a state-of-the-art engineering facility at Dubai World Central (DWC). Spanning an impressive 1 million square meters, this engineering complex is poised to become the most extensive and advanced facility of its kind operated by any airline globally. The strategic initiative not only reinforces Emirates' commitment to enhancing its aircraft fleet and operational capabilities well into the 2040s but also serves as a major catalyst for elevating Dubai's already world-class aviation infrastructure.

Tailored specifically to meet Emirates' evolving needs, the purpose-built facility is set to play a pivotal role in maintaining and supporting the airline's extensive aircraft fleet. Beyond its primary function, the engineering complex will also emerge as a distinguished center of excellence for commercial aviation engineering services in the Middle East. In a move indicative of Emirates' commitment to fostering collaboration and industry advancement, the facility may offer spare capacity to other airline operators, further solidifying its position as a hub for cutting-edge aviation solutions.

Source: https://www.logisticsmgmt.com/article/national_freight_strategic_plan_is_issued_by_u.s._department_of_transportat , November 14, 2020

This substantial investment underscores Emirates' forward-looking approach, aligning its infrastructure development with a vision that extends well into the future. As the airline industry continues to evolve, Emirates' commitment to innovation and excellence remains steadfast, positioning the new engineering facility as a key player in shaping the future landscape of aviation engineering services.

Commenting on the investment at the Dubai Airshow, HH Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive of Emirates airline and Group, expressed confidence in the future growth of Emirates and the aviation sector. He stated that the significant investment is a signal of this confidence.

The new facility is designed to make Emirates entirely self-sufficient in maintenance, repairs, overhaul (MRO), and all engineering requirements for their aircraft fleet. This development provides operational stability, flexibility, and quality assurance.

Emirates' new engineering facility is equipped to handle a comprehensive range of specialist aircraft engineering services.

This includes routine aircraft checks, bespoke paint jobs, light to heavy maintenance programs, engine repair and testing, as well as full cabin interior fit-outs and aircraft conversions.

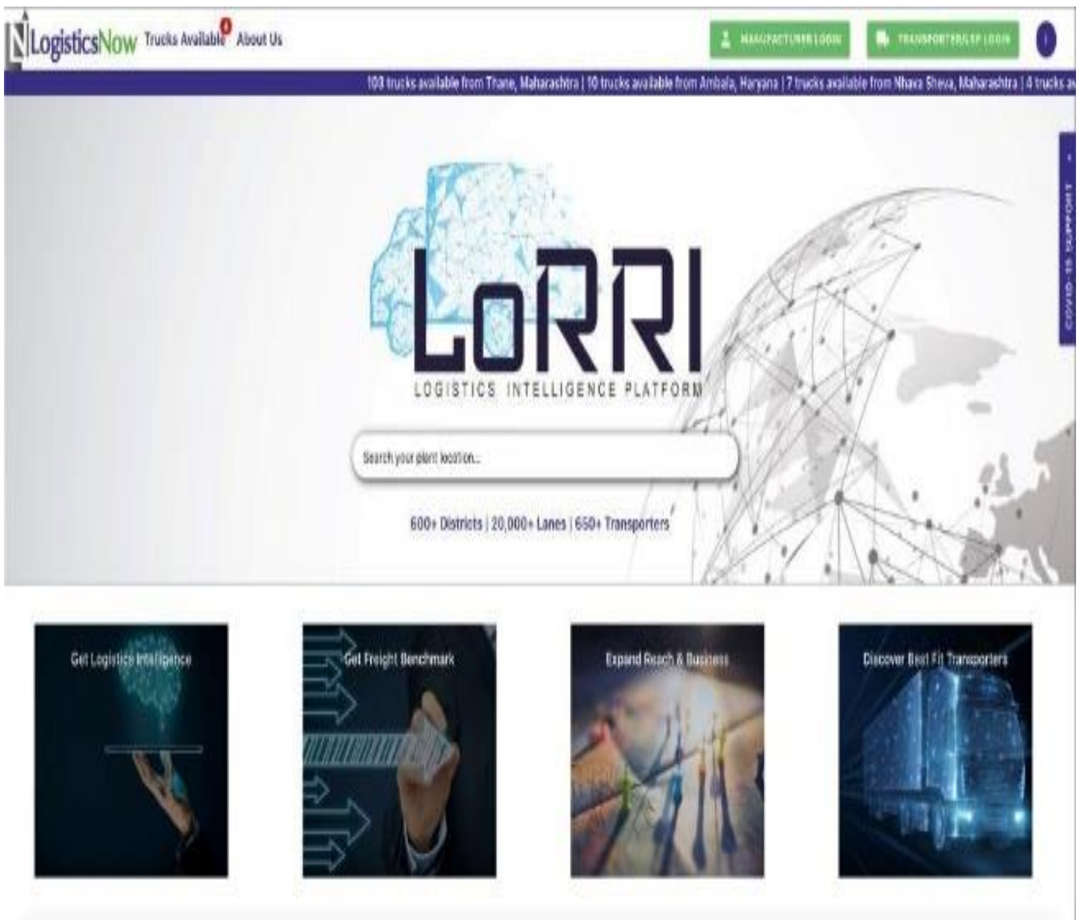
The facility is poised to enhance Emirates' capabilities and position itself as a key player in the evolving landscape of the aviation industry. Ali Mubarak Al Soori, Emirates Group Executive Vice President – Facilities, Projects Management & Group Procurement & Supply Chain, outlined the timeline for the construction of Phase 1, stating that it is expected to commence in 2024 and conclude in 2027.

"Life begins at the end of your comfort zone."

- Neal Donald

The plan includes provisions for future expansion in Phase 2, with the potential to double the capacity to align with Emirates' fleet growth and operational needs.

Moreover, the new Emirates Engineering complex will prioritize sustainability in its design, incorporating green building materials, installing solar panels on all roofs across the campus, and implementing recycling systems for oils and wastewater.



Source: http://www.cargoconnect.co.in/logistics/logisticsnow-ceo-on-indias-first-freight-benchmark-for-contracted-freight/ , Dec 04, 2020

Logistics now CEO on India's first freight benchmark for contracted freight

Introducing 'LoRRI Benchmark'—India's groundbreaking benchmark for contracted freight in the road transport industry. This initiative aims to democratize the logistics sector, focusing on full truck load (FTL) freight for medium and long haul lanes. The primary goal is to provide a comprehensive overview of freight costs, connecting over 600 districts and nearly every taluka or city across India. 'LoRRI Benchmark' facilitates the identification of competitive truck-types and transporters, fostering online interactions and transactions. This inclusive approach benefits not only large manufacturers but also the food and agriculture sector.

Embedded within the 'LoRRI' ecosystem, 'LoRRI Benchmark' is a pivotal component of the neutral logistics intelligence platform developed by LogisticsNow. This platform seamlessly connects the nation, offering access to 20,000 routes, 80+ truck-types, and 650+ transporters. With a reach covering 10,000+ crores of freight spend, 'LoRRI Benchmark' is set to transform the landscape of contracted freight in India.

What is the reason and purpose behind the launch of LoRRI Benchmark?
India, with its vast landscape of over 6 lakh villages and a population exceeding 130 crores, relies heavily on road and rail connectivity. However, even 73 years after gaining independence, a significant portion of the country remains disconnected sustainably, lacking reliable logistics infrastructure. The current state of transportation resembles the Wild West – unorganized and marked by a lack of transparency, especially concerning freight rates and services.

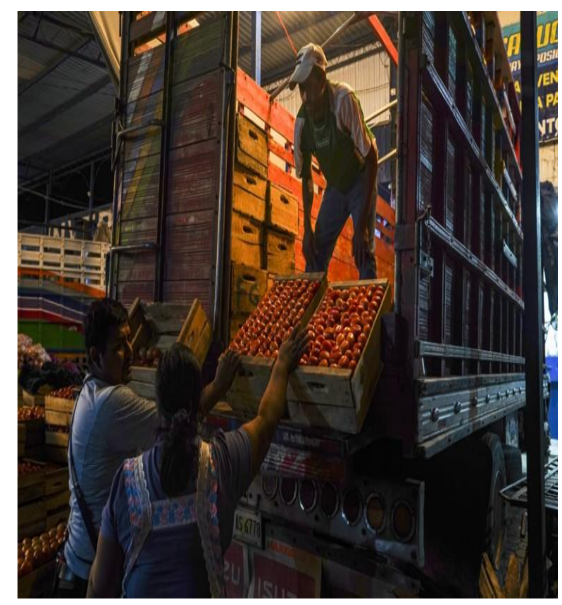
Freight rates, crucial in determining the cost of transporting goods from one point to another, are highly dynamic and subject to various factors such as the supply-demand ratio of trucks, seasonal fluctuations, fuel price hikes, and more.

This unpredictability poses challenges for leading companies that prefer to operate on a contracted freight rate basis. Recognizing this gap, LogisticsNow conducted a thorough analysis, pinpointing the absence of a trusted platform for contracted freight benchmarking and logistics procurement.

In response to industry demands for greater transparency in contracted freight, LogisticsNow launched 'LoRRI Benchmark,' which stands as India's first freight benchmark for contracted freight. This innovative platform has been developed collaboratively with input from over two dozen of India's leading manufacturers and transporters. It addresses the pressing need for transparency in contracted freight, providing a reliable solution for benchmarking and streamlining logistics procurement processes.

LoRRI Benchmark seeks to build the foundation of trust and enable the industry to effectively collaborate and achieve a common understanding of the current freight and value creation opportunities.

Along with LoRRI Benchmark, LoRRI provides manufacturers with SynergyNow, India's pioneering platform to leverage backhauls & scale across companies,



LoRRI-Procure, India's first integrated freight procurement and contracting solution, and LoRRI-Profiles, master RFIs for India's leading logistics service providers, crowd-sourced from over 650 Transporters, all in one place at LoRRI.in.

LoRRI Benchmark covers 20,000+ lanes spanning 600 districts of India focussed on full truck loads(FTL) with route distances of >150kms.

For transporters, LoRRI democratises transporter discovery, enabling transporters small and big to get discovered by leading manufactures for multi-crore business, based on their merit: their LoRRI-Profile, ratings and lanes/network.

The key benefits of the LoRRI Benchmark for manufacturers & government include readily accessible information for contracted freight rates in road transport along with national reach, as the single neutral platform which provides freight rates and best fit Logistics service providers (LSPS)/transporters pan-India.

> "Everything should be made as simple as possible, but not simpler."
> ~Albert Einstein