GOT ALL YOUR DUCKS IN A ROW FOR YOUR LTL SHIPMENTS?

Follow our LTL expert Lisa Cardinale’s six tips to ensure your shipment does not go from cost-effective to costly.

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SUNSET HONORED FOR EMPLOYEE ENGAGEMENT AND COMPANY GROWTH

Sunset is pleased to share with you our recently awarded place on two distinctive lists, illustrating our commitment to our valued employees and customers. We are walking the talk!

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FREIGHT FOR THOUGHT: APPROVAL SOUGHT FOR HISTORIC HIGHWAY FUNDING

Prepare for potential logistic and regulatory changes as a result of the recent Senate-passed DRIVE Act legislation, plus fuel and line-haul predictions for 2016.

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SUNSET OPENS ADDITIONAL ST. LOUIS LOCATION – SUNSET FINANCIAL SERVICES

Sunset is growing again! Read more about the St. Louis expansion and the new Sunset Financial Services location.

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BRANCH SPOTLIGHT: GRAND HAVEN, MI CELEBRATES 225TH ANNIVERSARY OF THE U.S. COAST GUARD

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25 THINGS – FACTS #15-13

We continue to celebrate our 25th anniversary year — and, our countdown of 25 facts about Sunset Transportation and the freight industry.

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This month’s “Freight for Thought” commentary features Mick McGrory, Sunset’s 25+ year transportation expert and Vice President of Sales.

Fall is upon us, Sunset network! I have just a few things to bring to your attention as we prepare for a busy fourth quarter — taking a look at some historic and highly publicized legislation coming our way, and an outlook on pricing trends that will likely affect shippers and carriers in 2016.

**DRIVE Act**

In July 2015, the Senate passed the DRIVE Act, which is a comprehensive transportation bill that will renew highway and infrastructure funding for six (6) years. The bill reverses a decade-long trend of short-term, temporary amendments to fund, plan, and construct crucial developments required to advance an increasingly outdated U.S. transportation infrastructure.

The DRIVE Act’s future lies in the hands of the House and the Transportation and Infrastructure Committee to approve the bill before the October 29, 2015 deadline for full passage. Regardless of political opinion, we at Sunset believe this legislation is necessary to ensure a long-term solution to a long-term problem; providing funding and improvements will behoove the freight industry as a whole. Positive impacts to our customers will include:

1) **Driver drug testing:** Driver drug screening will now include hair testing in lieu of urine testing to satisfy federal requirements.

   Hair testing will ensure increased accuracy and validity to help eliminate potential driver impairment.

2) **Size & weight changes:** Federal regulations will allow for 33-ft. double trailers, an increase from the previous 28-ft. maximum.

   Customers have the potential to consolidate their volume shipments and maintain the integrity of larger orders.

3) **Compliance, Safety, Accountability (CSA) score removal from public view:** A provision approved by the Senate asks to remove public displays of a carriers’ percentile ranking in the CSA Safety Measurement System.

   Sunset will continue to have access and visibility to these safety scores, and will continue to work with reputable carriers who mirror our company culture of integrity and service.

4) **Insurance:** The House and Senate are blocking any increases to the minimum amount of liability insurance required by motor carriers.

   This measure should essentially eliminate insurance cost increases, which can potentially stabilize shipment pricing.

5) **Under-21 interstate truckers:** The DRIVE Act would allow CDL holders under the age of 21 to cross state lines. Currently, those under 21 can obtain a CDL but are only allowed to operate trucks intrastate (within state lines).

   We foresee growth to the shrinking driver pool, which translates into increased capacity to move more loads.

Overall, the freight industry is in a better position moving into 2016 than in years past. Better pricing, increased tonnage, and lower diesel prices will continue to boost the number of truckloads, which, according to several industry resources, could climb by more than 9% through 2017.

**STORY CONTINUES ON NEXT PAGE >>**
STORY CONTINUED...

**Fuel Prices**

The average U.S. retail price of diesel hit a 2015 low on August 31, to a level we haven’t seen since July 2009. Diesel fuel has slid nearly $.40/gallon since May 2015 and is 34% lower than a year ago. The overall impact of lower fuel prices can’t be overlooked for shippers; fuel surcharge revenue dropped 40% ($0.20 per mile) year over year in the 2nd quarter of 2015.

Freight expenditures fell 2% for shippers in August from July 2015, and are down 8% percent from August 2014. It is reasonable to assume that diesel fuel surcharges will likely remain at these record-breaking levels into 2016, while the line-haul rates will slowly increase to counterbalance these trends. It is our prediction that fuel prices will remain flat throughout 2016, and our customers should not expect much fluctuation as a result.

**M&A**

Regarding mergers and acquisitions, logistics and trucking companies have been buying one another at a rapid clip through the first half of 2015. Growth and a recovery economy have remained as key drivers for industry expansion into far-reaching geographic footprints, adding capacity and entering new market territory. While the larger mergers have seen their share of the headlines in 2015 (UPS purchasing Coyote Logistics for $1.8B, for example), there have been smaller enterprise consolidations flying under the radar. This is attributed to many entrepreneurs of family-owned companies seeking retirement, and the addition of private equity firms flooding the market.

These acquisitions in the first half of 2015 have exceeded the 10% growth that occurred in 2014 for the trucking and logistics industry as a whole. In dollars, that equates to $3.5B more than was spent on M&A during all of 2014. We can expect this trend in acquisitions to continue indefinitely.

**How Can Sunset Help?**

Despite the number of factors shippers must consider when the industry experiences volatile swings, Sunset remains steadfast in our commitment to our customers. You can count on us to analyze and monitor every aspect of your shipments for success — it’s what we do best!

Please contact your Sunset account manager for more insight and impacts stemming from the the regulatory, fuel, or M&A trends mentioned earlier. We are here to help navigate the ever-changing nature of freight. On behalf of the entire Sunset team, best wishes for the fall freight season and thank you for your continued business.

**Mick McGrory**
Vice President, Sales
314.756.8517
Mick@SunsetTrans.com

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GOT ALL YOUR DUCKS IN A ROW FOR YOUR LTL SHIPMENTS? by Lisa Cardinale

Follow our LTL expert Lisa Cardinale’s six steps to ensure your shipment doesn’t go from **cost-effective** to **costly**:

1) **Always secure your items with appropriate packing material.**

**Why?** An LTL shipment doesn’t travel on just a single truck. It can travel on a number of trucks, potentially being touched numerous times before delivery. Ample packaging = your shipment arrives at its destination intact, avoiding costly claims.

2) **Verify entire skid weight.**

**Why?** Improper packaging is also a signal to the carrier of the need to verify the weight of the skid. A “weight and inspection” decision is made at the carrier’s discretion; it can lead to unexpected charges on top of your original quoted price if the carrier deems it necessary. Fifty (50) pounds more or less than the declared weight on the Bill of Lading (BOL) is cause for a carrier to charge an additional “weight and inspection” fee.

3) **Don’t skimp on the BOL details.**

**Why?** Proper information on the BOL does more than you may think, for both shipper and receiver. The information on the BOL is transcribed exactly as it appears at the originating terminal, meaning two things:

- The transcribed information becomes the invoice description, which is the foundation for collecting your freight data. These are crucial to the bookkeeping and auditing of your monthly freight records.
- Inconsistent classifications, product descriptions, and outdated customer names, for example, can all create discrepancies. These become an issue when it’s time to reconcile your freight bills.

Practice clean BOL creation with your shipping department or utilize a system like Sunset’s FreightLOGIK tool, which maintains the consistency in your information and creates the BOL for you.

4) **Keep realistic expectations for delivery.**

**Why?** A common misconception for LTL shipments is that the shipment MUST deliver on or by the date published by the carrier. Unfortunately, that is simply not true. While LTL carriers measure themselves by on-time service, they are not required to.

Sunset qualifies every carrier we use but like all things in life, there are some things out of our control (like the weather, traffic delays, etc.). LTL shipments can be the right choice, but early planning and a realistic expectations can go miles to ensure Sunset meets your specific delivery needs!

5) **Ask your Sunset account manager to walk you through our pickup and delivery audit process.**

**Why?** When you move an LTL shipment with Sunset, not only are you receiving customized, specific pricing, but you’re also capitalizing on Sunset’s buying power and culture of continuous improvement.

From start to finish, Sunset provides verification and visibility to our customers:

- Each shipment is reconciled at **both** pickup and delivery, checking primarily for service delays and changes in charges due to additional accessorrial needs, weight, inspections, etc.

DID YOU KNOW?

Sunset’s FreightLOGIK routing tool provides all customers with a transparent and centralized format, giving you 24/7 visibility to your shipments. Once delivery is complete, FreightLOGIK will store all specific shipment document images in an easily-accessible archive.
GOT ALL YOUR DUCKS IN A ROW FOR YOUR LTL SHIPMENTS? by Lisa Cardinale

STORY CONTINUED...

• During this process, our LTL support team (available 24/7) will bring to your attention those charges so that you can take corrective actions, e.g. adjusting billing for your customer or better preparing for future shipments.

Surprises are great for parties. Not so great for billing and invoicing. We understand our customers and know the strain that additional charges cause. Timely, frequent audits are the key to having no surprises when it comes to your costs.

6) Take advantage of post-shipment reporting.

Why? "Big" data isn’t a term without a big reason! Don’t underestimate the power of what your freight data can do for you. Sunset is able to provide each customer with reporting and business intelligence to support areas for improvement or growth — ultimately the decisions that guide your budgets and bottom line. Our goal is to provide the visibility to a very critical part of your supply chain, and to help apply improvements and cost-savings where possible.

Bottom line: Sunset prides itself on being an extension of your business and we hold ourselves accountable for successful delivery of your products, brand, and reputation. For a conversation on how to streamline your LTL, email or call me directly and we will customize a solution together.

CONTACT:
Lisa Cardinale
Team Lead, Senior Logistics Advisor
314.756.8561
LCardinale@SunsetTrans.com

DID YOU KNOW?
Sunset’s freight payment software, PayLOGIK, can support payment in 235 currencies.

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Sunset in St. Louis has expanded into two locations to better serve you — Sunset Financial Services officially opened on Monday, September 14, 2015 and we are continuing to transition Sunset’s Freight Audit & Payment group, accounting, billing, and payable functions to the new space.

Located just across the street from the Concord headquarters office at 11325 Concord Village Avenue, the “Tesson” location (11432 Tesson Ferry Road, St. Louis, Missouri 63123) is walkable in approximately 500 yards. Sunset Financial Services has space for up to 25 employees, and supports the alignment of our financial resources and processes. This move will increase efficiencies where it makes the most sense for both internal employees and our customers!

It is very important to note that there are NO CHANGES to our service levels or contact information. Sunset’s mailing address, phone numbers, and emails will remain the same at our Concord location (11325 Concord Village Ave., St. Louis, Missouri 63123).

Sunset Transportation was recently named a 2015 Top Workplace by the St. Louis Post-Dispatch, recognized for its high level of employee satisfaction, strong industry leadership and sustained double-digit growth. Sunset is a first time recipient of this award, and joins other top businesses and organizations in the region such as Ameren, Edward Jones, Nestle Purina and Scottrade.

“We’re grateful and humbled that our employees believe in Sunset. Earning the Top Workplace distinction is a reflection of the faith and confidence our employees have placed in our company from day one, over 25 years ago,” said Jim Williams, CEO and founder

Recognized on the Inc. 500|5000 List of Fastest Growing Companies list for the fourth consecutive year, this honor underscores Sunset’s sustained growth and stability in an industry that is experiencing increased consolidation. Sunset ranks #83 in Missouri and #3925 overall nationally; it also ranks among the top 125 fastest-growing logistics and transportation businesses.

“It’s been our focus to continue our growth while improving services and savings for our customers,” said Craig Marton, president and COO. “Being on the Inc. 500|5000 list for the fourth year is a testament to efforts of Sunset’s hard-working employees. And, we owe our sustained growth and expansion to loyal customers and industry partners. Each is reliant on the other for success.”

Inc. reported Sunset’s three-year overall growth at 76 percent. Sunset is providing jobs across the country; it has increased its staff by 20 percent, opened a new location in Bend, Oregon, and expanded two existing branches — Chicago and Grand Haven, Michigan — into larger locations. Sunset’s headquarters in St. Louis has also experienced an expansion this month. Read the story on the right for all the details.

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BRANCH SPOTLIGHT: GRAND HAVEN, MI CELEBRATES 225TH ANNIVERSARY OF THE U.S. COAST GUARD

In early August, Sunset’s Grand Haven office took part in sponsoring the nationally-recognized festival that honors the men and women of the United States Coast Guard serving in the West Michigan area, fostering the theme of “Grand Haven — Coast Guard City, USA.”

The festival unofficially began in 1924 as a Coast Guard personnel-only picnic when the local Coast Guard station held rowing competitions for those service members stationed in Grand Haven. Today the Grand Haven Coast Guard Festival has become a premier event with attendance of over 350,000 people, including the highest ranking Coast Guard dignitaries from Washington, D.C.

Sunset is proud to honor our servicemen and women in our local communities in all forms of safety and transportation. Thank you for your service to our country!

CELEBRATING 25 YEARS, DISCOVER MORE FUN FACTS ABOUT SUNSET TRANSPORTATION

While celebrating our 25th anniversary in 2015, we continue to share a countdown of 25 facts about our company history, and the industry we serve:

Fact #15: The St. Louis MO-IL combined statistical area (CSA) ranks as one of the largest inland freight hubs in the nation. In 2012, the MO-IL generated 210 million tons of inbound and outbound freight, which ranked the CSA fourth behind Chicago (463 million tons), Dallas-Fort Worth (275 million tons), and Detroit (243 million tons).

Fact #14: In 2015 so far, Sunset’s Freight Audit and Payment team has processed over $60M in freight bills for our customers.

Fact #13: For the 13th consecutive year, Sunset is partnering with the Boy Scouts of America to arrange transportation for the largest annual one-day food drive this November 21, 2015. Click HERE to request more information on how your company can donate to the drivers and volunteers who make this amazing food drive possible.