

# THE SOURCE

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## SPECIAL POINTS OF INTEREST

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## OPEN LETTER TO CONGRESS FROM CURRENT AND FORMER DOT SECRETARIES

*Text of a Department of Transportation press release—July 21, 2014*

WASHINGTON -

“As Congress considers legislation to avoid a shortfall of the Highway Trust Fund, Transportation Secretary Anthony Foxx and 11 of his predecessors (7 Republicans and 4 Democrats) offered the following open letter to Congress. In addition to Secretary Foxx, former Secretaries Ray LaHood, Mary Peters, Norman Mineta, Rodney Slater, Frederico Peña, Samuel Skinner, Andrew Card, James Burnley, Elizabeth Dole, William Coleman and Alan Boyd all signed the letter. Their message: Congress’ work doesn’t end with the bill under consideration. Transportation in America still needs a much larger, longer-term investment. The text of the letter follows:

“This week it appears that Congress will act to stave off the looming insolvency of the Highway Trust Fund. The bill, if passed, should extend surface transportation funding until next May.

“We are hopeful that Congress appears willing to avert the immediate crisis. But we want to be clear: This bill will not “fix” America’s transportation system. For that, we need a much larger and longer-term investment. On this, all twelve of us agree.

“Taken together, we have led the U.S. Department of Transportation for over 35 years. One of us was there on Day One, at its founding. We’ve served seven presidents, both Republicans and Democrats, including Lyndon Johnson, Gerald Ford, Ronald Reagan, George H.W. Bush, Bill Clinton, George W. Bush, and Barack Obama.

“Suffice it to say, we’ve been around the block. We probably helped pave it.

“So it is with some knowledge and experience that we can write: Never in our nation’s history has America’s transportation system been on a more unsustainable course.

“In recent years, Congress has largely funded transportation in fits and starts. Federal funding bills once sustained our transportation system for up to six years, but over the past five years, Congress has passed 27 short-term measures. Today we are more than a decade past the last six-year funding measure.

“This is no way to run a railroad, fill a pothole, or repair a bridge. In fact, the unpredictability about when, or if, funding will come has caused states to delay or cancel projects altogether.

“The result has been an enormous infrastructure deficit—a nationwide backlog of repairing and rebuilding.

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continued from page 1 **OPEN LETTER TO CONGRESS**

“Right now there are so many structurally deficient bridges in America that, if you lined them up end-to-end, they’d stretch from Boston to Miami. What’s worse, the American people are paying for this inaction in a number of ways.

“Bad roads, for example, are costing individual drivers hundreds of dollars a year due to side effects like extra wear-and-tear on their vehicles and time spent in traffic.

“Simply put, the United States of America is in a united state of disrepair, a crisis made worse by the fact that, over the next generation, more will be demanded of our transportation system than ever before. By 2050, this country will be home to up to 100 million new people. And we’ll have to move 14 billion additional tons of freight, almost twice what we move now.

“Without increasing investment in transportation, we won’t be able to meet these challenges. According to the American Society of Civil Engineers, we need to invest \$1.8 trillion by 2020 just to bring our surface transportation infrastructure to an adequate level.

“So, what America needs is to break this cycle of governing crisis-to-crisis, only to enact a stopgap measure at the last moment. We need to make a commitment to the American people and the American economy.

“There is hope on this front. Some leaders in Washington, including those at the U.S. Department of Transportation, are stepping forward with ideas for paying for our roads, rails, and transit systems for the long-term.

“While we—the twelve transportation secretaries—may differ on the details of these proposals, there is one essential goal with which all twelve of us agree: We cannot continue funding our transportation with measures that are short-term and short of the funding we need.

“On this we are of one mind. And Congress should be, too.

“Adequately funding our transportation system won’t be an easy task for our nation’s lawmakers. But that doesn’t mean it’s impossible. Consensus has been brokered before.

“Until recently, Congress understood that, as America grows, so must our investments in transportation. And for more than half a century, they voted for that principle—and increased funding—with broad, bipartisan majorities in both houses.

“We believe they can, and should, do so again.”

*SOURCE: Republished in toto from a Department of Transportation press release—Monday, July 21, 2014*

## CONGRESSIONAL RESPONSE TO HIGHWAY FUNDING

H.R.5021—the Highway and Transportation Funding Act of 2014—was introduced in the House on July 8, 2014 by Rep. Dave Camp (R-MI). The bill provides \$10.8 billion for, among other things, keeping funding for road and bridge projects flowing to states until May, 2015.

It passed the House by an overwhelming bipartisan majority on July 15 and was placed on the Senate Legislative Calendar on July 16.

The bill as sent over by the House passed the Senate on July 29 by a vote of 79-18, but with one amendment attached. The amendment was proposed by Sens. Barbara Boxer (D-CA), Bob Corker (R-TN), and Tom Carper (D-DE), moving up the expiration date of the short-term funding measure to the Highway Trust Fund (HTF) to Dec. 19, 2014 rather than to May. This would serve to reopen the debate over a longer term highway spending fix soon after the November elections.

In a July 23 press release, the American Trucking Associa-

tions expressed their strong support of the Boxer-Corker-Carper amendment and called on the Senate to adopt the shorter term for the HTF patch, citing the necessity to act on a desperately-needed longer term bill this year rather than letting our infrastructure issues drag into 2015.

The ATA also supports raising the federal fuel tax—unchanged since 1993—to replenish the HTF. But another amendment proposed by Sen. Mike Lee (R-UT), referred to by proponents as “devolution”, would reduce the fuel tax from 18.4¢ to 3.7¢ for gasoline, and from 24.4¢ to 5¢ for diesel, thus shifting the responsibility to raise infrastructure funds to individual states.

Both Sen. Majority Leader Harry Reid (D-NV) and Sen. Orin Hatch (R-UT) believe that the House-passed Camp bill will likely be the version sent to the White House and signed into law.

*SOURCE: Library of Congress website—text & action on H.R.5021; ATA press release—7/23/14.*

## AUGMENTED REALITY, THE INTERNET OF THINGS, AND THE FUTURE OF LOGISTICS

*“When it comes to the future, there are three kinds of people: those who let it happen, those who make it happen, and those who wonder what happened.” - Prof. John M. Richardson, Jr.*

Augmented reality. The Internet of Things. What are they and what do they have to do with the logistics industry? A great deal, as it turns out. They represent concepts and ideas and the implementation of applications that have led to the extraordinary and innovative technological advances which have now become part of our everyday lives, and promise to become an even bigger part of our future. Over the next few issues we will explore where we've been, where we are, and where the experts think we're going.

The Internet of Things (IoT), a term coined by Kevin Ashton, co-founder of the Auto-ID Center at MIT, refers to the equipping of objects, animals, and people with unique sensory identifiers and the ability to automatically transfer data over a network without requiring human-to-human or human-to-computer interaction.

According to Ashton, “Today...the Internet...is almost wholly dependent on human beings for information...by typing, pressing a record button, taking a digital picture or scanning a bar code. The problem is, people have limited time, attention and accuracy—all of which means they are not very good at

capturing data in the real world. If we had computers that knew everything there was to know about things...we would be able to track and count everything and greatly reduce waste, loss and cost.”

Augmented Reality (AR) may sound very futuristic, but chances are you have already seen it at work. If you've ever watched an NFL game, you've noticed that the TV viewing audience is shown the first down line. As we all know, this line is not physically on the field; it is a computer-generated graphic designed to provide information to us and enhance our viewing experience. This is one example of AR at work.

Augmented reality is defined as a live direct or indirect view of a physical, real-world environment whose elements are augmented (or supplemented) by computer-generated sensory input such as sound, video, graphics or GPS data (*Wikipedia*). German-based DHL recently published a 28-page research paper entitled [Augmented Reality in Logistics](#), which we will explore in later issues, as well as an earlier deep-dive study. The paper gives a perspective of the powerful potential of AR within the industry. The conclusion? This is the future, and the future begins now.

*SOURCE: Techtarget.com (Ashton quote); [Augmented Reality in Logistics](#), published by DHL; *Wikipedia* “The Internet of Things”.*

## WEST COAST PORTS NEGOTIATIONS UPDATE

So far there have been no major disruptions at U.S. West Coast ports, despite the fact that the current contract expired as of July 1 and a new agreement is yet to be reached. It would seem that this is due not so much to progress being made in the talks, but more to the fact that both sides understand that any shutdown of the ports would not be in the interest of either side.

One of the major sticking points centers on who will pay the tab for the “Cadillac tax” set to kick into effect in 2018. Up until now, union members have paid nothing into their health care plan, and they would like it to continue that way. But employers—the ocean carriers—say they cannot absorb the projected \$150 billion in costs, plus the ongoing premiums.

There are other issues as well, related to productivity, automation, and terminals' operating hours, all of which may have a

direct impact on staffing requirements. The ILWU would like to protect their headcount, while the PMA would like to protect its bottom line.

Talks remain ongoing, but they are scheduled to recess again during the week of July 28 due to unrelated ILWU contract negotiations in the Pacific Northwest. Talks will most likely continue into August.

In the meantime, ports in Canada and on the U.S. East Coast have felt some benefit from cargo diversions, although cargo volume through the West Coast has remained strong in July.

*SOURCE: Journal of Commerce—ongoing news coverage of ILWU/PMA contract talks.*

*Graphic: JOC*



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## TRIVIA

1. In May, 1990, a member of the Chicago Cubs was intentionally walked a record 5 times by the Reds, breaking the record shared by Roger Maris and Garry Templeton. Name that Cub Hall of Fame great.
2. What is the loudest mammal on earth ?
3. Which top movie from 1991 starred Anthony Hopkins—Great Expectations, The Remains of the Day, Howard's End, or The Silence of the Lambs?
4. The capital of a U.S. state shares its name with a famous German chancellor. Can you name the capital city, the state, and the chancellor ?

[Click here for answers to Trivia questions.](#)

## ABOUT US

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