

THE SOURCE

JUNE, 2014

INSIDE THIS ISSUE:

TRANSPORTATION BILL SENT TO CONGRESS	1
SMOKE SIGNALS	2
"SENSATION"-AL NEGOTIATING	2
OVERBOARD: SHIPPING CONTAINERS LOST AT SEA	3
WEST COAST PORTS NEGOTIATIONS UPDATE	3
TRIVIA!	4

SPECIAL POINTS OF INTEREST

- **ARE WE DOING A GOOD JOB FOR YOU?** If the answer is yes, consider introducing us to a customer or supplier. If they go with the Outsource team you win, too. Ask us about our residuals program.
- **DO YOU SHIP WITH US SOME OF THE TIME?** Become a Program Customer and we will guarantee savings of 10%.

TRANSPORTATION BILL SENT TO CONGRESS

From a Dept. of Transportation press release—April 29, 2014

In an April 29 press release, the Department of Transportation unveiled a long-term transportation bill that is being sent to Congress for consideration as the House and Senate face looming deadlines to avoid the economic uncertainty that would ensue if the Highway Trust Fund runs out of money this summer. In the absence of certitude about federal transportation investment, many states have postponed or canceled transportation-related projects altogether. Without additional investment, it is estimated that deficiencies in the nation's infrastructure will cost business more than \$1 trillion each year in lost sales (*ASCE report, prepared by the Economic Development Research Group—2013*). Despite the need, the Highway Trust Fund, which provides most of the federal support for state transportation projects, is on a trajectory to run out of money as early as August, 2014.

"Failing to act before the Highway Trust Fund runs out is unacceptable—and unaffordable," said U.S. Transportation Secretary Anthony Foxx. "This proposal offers the kind of job creation and certainty that the American people want and deserve. I have been pleased to see that members of both parties are already working together to solve these challenges, and I look forward to continuing our discussion and to supporting and building on the good work that's already been done."

The GROW AMERICA Act, which is based on a 4-year \$302 billion surface transportation reauthorization proposal announced in February, represents a number of proposals that have historically attracted bipartisan support. Among other things, the plan includes:

- Providing \$87 billion to the Highway Trust Fund to address the shortfall and provide funding for the nation's backlog of deficient bridges and aging transit systems;
- Reducing project approval and permitting timelines while delivering better outcomes for communities and the environment;
- Bolstering efficient and reliable freight networks to support trade and economic growth;
- Creating incentives to better align planning and investment decisions to comprehensively address regional economic needs while strengthening local decision-making.
- Implementing measures to increase safety across all modes of surface transportation.

It is hoped and expected that making improvements to the nation's infrastructure will create millions of new jobs to ensure America's future competitiveness.



SMOKE SIGNALS



For those of you who are so inclined, you can legally light up that joint if you happen to be in the states of Washington or Colorado, with others soon to follow. But not if you work in the transportation industry. Marijuana is still listed as a Schedule 1 drug by the U.S. Department of Transportation, and its use is expressly prohibited for transportation workers.

“It is important to note that marijuana remains a drug listed in Schedule 1 of the Controlled Substances Act,” said Jim Swart, director of the Office of Drug and Alcohol Policy and Compliance for the U.S. Department of Transportation in a 2013 notice of compliance. “It remains unacceptable for any safety-sensitive employee subject to drug testing under the DOT’s drug testing regulations to use marijuana.”

Swart said that Medical Review Officers will not verify a drug test as negative based upon learning that an employee used either medical or recreational marijuana when states have passed either the medical or recreational marijuana initiatives.

“We want to make it perfectly clear that the state initiatives will have no bearing on the DOT’s regulated drug testing program. The Department of Transportation’s Drug and Alcohol Testing Regulation...does not authorize the use of Schedule 1 drugs, including marijuana, for any reason.”

In a further move, a rule that would implement a driver database, or clearinghouse, showing the driver’s history of failed

drug and alcohol tests, or those who refused to take the test, was approved in January by the White House’s Office of Management and Budget, and is now published in the Federal Register as a Notice of Proposed rulemaking.

The proposed rule would require employers to report verified positive, adulterated, and substituted drug test results, positive alcohol test results, test refusals, negative return-to-duty test results, and information on follow-up testing. Employers would also be required to report actual knowledge of traffic citations for driving a commercial vehicle while under the influence of drugs or alcohol.

Employers would be able to query the database with the driver’s consent. This would present a way for carriers to ensure that a prospective employee has completed the return-to-duty process and has no hidden history, and would also show that carriers are complying with performing the required testing.

As more states have taken up ballot initiatives to legalize or decriminalize the recreational or medical use of marijuana—including, surprisingly, many solidly conservative states—it is evident that clear rules for safety-sensitive employees, notably those in the transportation industry, must be established and enforcement-ready ahead of the wave.

SOURCES: DOT press releases; Truckstop.com—V8#2; Federal Register—proposed bills; NY Times—2/27/14.

“SENSATION”-AL NEGOTIATING



Strange as it may sound, you can improve your chances of negotiating a successful business deal if you serve up a hot cup of coffee or tea.

Crazy? Not according to psychologist Thalma Lobel. In a 2008 study conducted by Lawrence Williams of the University of Colorado and John Bargh of Yale, in which participants were asked to do someone a favor and briefly hold a warm cup of coffee or a cold beverage prior to moving on to a research lab and filling out a questionnaire, those who had held the warm cup gave a more favorable assessment of a stranger than those who had held a cold cup. Ms. Lobel calls this “embodied cognition,” a thesis that holds that the mind is influenced by what the body feels, sees, and smells.

In a similar study by the same team of researchers, it was discovered that a softer chair makes us softer negotiators.

Research participants were asked to haggle over the price of a new car. After their first offer was rejected, they were asked to make a second offer. Those sitting in hard chairs raised their offers by about \$900, while those sitting in cushioned chairs raised theirs by more than \$1200.

In a third study, participants were asked to solve a puzzle using either rough jigsaw pieces or smooth ones, and to simultaneously observe and judge an interaction between two people. Those who had handled the rough pieces were more likely to describe the interaction as competitive and adversarial than those who had handled the smooth pieces.

So, next time you find yourself at the negotiation table, offer a cup of Joe and a comfortable chair—reserve the hard, wooden, uncomfortable chair for yourself.

SOURCE: Entrepreneur.com, 5/21/2014.

OVERBOARD: SHIPPING CONTAINERS LOST AT SEA



Photo credit: MBARI

On February 26, 2004, the cargo ship *Med Taipei* encountered rough waters during a strong winter storm soon after leaving the Port of Oakland, CA. Amid 30-foot swells, 15 containers broke loose and were swallowed by The Deep.

Four months later, scientists with the Monterey Bay Aquarium Research Institute (MBARI) were conducting a seafloor survey in the Monterey Bay National Marine Sanctuary with an underwater robot and happened upon one of the containers nearly 4,200 feet below the surface—a 40-foot long container carrying 1,159 steel-belted tires. They turned this discovery into an opportunity to study the impact of a single container on the deep-sea environment and community.

The container, which was studied for the first time in 2011, did not show signs of degradation, with the exception of a few areas that had the beginnings of rust, probably areas that were damaged as it fell off the ship. The low-oxygen environment

can be credited for the remarkable preservation.

The effect on sea life was mixed. Creatures like tubeworms, top snails, and scallops affixed themselves to the container, treating it like a coral reef. But the diversity of animals was lower around the box than on the seafloor. Since the container was jutting out of an otherwise flat seafloor, it seemed to alter the bottom currents in the vicinity and attract predators, which would affect the distribution of other marine life.

It is estimated that as many as 10,000 containers fall overboard each year. A surprising number, even when you consider that about 90% of the world's goods are transported by ocean-going vessels. The long-term effects to the marine ecosystem are not fully known. "We have only begun to characterize the potential long-term impacts of a single container on a deep-sea community," MBARI researcher Josi Taylor said. "Although the effects of one container may seem small, the thousands of shipping containers lost on the seafloor each year could eventually become a significant source of pollution for deep-sea ecosystems."

Not all cargo is as innocuous as tires, and leakage of toxic materials could spell catastrophe. Clearly the proper securing of cargo containers to withstand the punishment of ocean passage is key to obviating possibly irreversible damage to the marine environment.

SOURCE: *National Geographic news*, 12/23/2013; *livescience.com*, 5/16/2014.

WEST COAST PORTS NEGOTIATIONS UPDATE

Contract talks between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) commenced in mid-May on a positive note. The current contract expires at midnight on June 30, 2014.

"Both sides said they expect cargo to keep moving until an agreement is reached," said the ILWU and the shipping employers association in a joint statement. Many shippers, however, do not anticipate that the contract negotiations will be driven by what is best for cargo interests and are proactively taking steps to ensure that their shipments are not disrupted by diverting to either East or Gulf Coast ports or accelerating their orders through West Coast ports.

West Coast ports did see strong volumes in April, which is seen as a clear sign that shippers are taking the possibility of a strike

at West Coast ports seriously. A number of respondents to a Journal of Commerce survey included comments like "pulling orders forward into June," "asking customers to carry more inventory," or "ordered heavy to have goods arrive early." Many remember the lessons learned from the 10-day employer lockout during the 2002 negotiations, which ended only when President Bush issued a Taft-Hartley injunction.

The next few weeks will tell whether the 2014 contract negotiations will remain positive or deteriorate as the deadline looms. Some believe that the "real" negotiations won't begin until the deadline has passed without agreement. But most shippers are keeping a wary eye on the progress and contingency plans in their back pocket.

SOURCE: *Journal of Commerce*, 5/13/2014—5/20/2014.

VISIT US ON THE WEB!

WWW.OUTSOURCEFREIGHT.COM

Delivering Results... Not Promises

OUTSOURCE FREIGHT, INC.

72 SHARP STREET
SUITE C-11
HINGHAM, MA 02043

Phone: 781-340-5656
Toll Free: 800-286-5306
Fax: 781-340-0080

CONTACT US

ANY OF THE PROFESSIONALS LISTED BELOW
CAN HELP YOU START THE PROCESS

- **Mark Perry—Vice President, Sales**
mperry@outsourcelfreight.com
- **Kerrie Gendreau—Vice President, Retail Business Development**
kgendreau@outsourcelfreight.com
- **David Silva—Executive Vice President**
dsilva@outsourcelfreight.com

TRIVIA

1. What is the standard width between two railroad tracks?
2. What type of tests were National League umpires required to undergo in 1911 ?
3. In Roman mythology, who is the goddess of marriage and childbirth, and the queen of the gods ?
4. How many flowers must bees tap to make one pound of honey ?

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

ABOUT US

Established in 1990, OUTSOURCE, Inc. offers a complete range of freight management services and supply chain solutions to help you improve control and increase profitability.

OUTSOURCE specializes in worldwide logistics and transport, offering your organization an optimized transportation management solution. Our customer-driven approach to doing business allows us the flexibility to select services and solutions that best serve our clients' individual needs, and our extensive collective experience in distribution, warehousing, retailing and transportation logistics provides us with the expertise to make it happen.

Air, sea, rail and truck—we can handle all of your domestic and international shipping logistics and transport needs, freeing you to do what you do best.....grow your business.

