



Sometimes Size Really Does Matter, No Kidding

Of the countless loads of freight moved everyday in the world, some are extra ordinary and called “super-loads”. It could be a machine, transformer, or even a building! If you turn on the TV you will see shows dedicated to the movement of huge pieces of cargo most carriers won’t, and shouldn’t, touch. The most popular of these shows is “Mega Movers” on the History Channel. The show profiles structure movers and follows each carrier through a project. As a side note, I have written a series of letters to the History Channel, and would like you to join me, recommending a spin off show called “Cargo Insurance Guy”. I have not heard back yet and will keep you posted if anything comes of it.

Lucky for us there are some expert carriers that will look at these obscenely large pieces of freight as a challenge and opportunity rather than something to run away from. Dealing with extra biggie value sized cargo is no easy task. The planning and execution of some of these moves would make The US Army Corp of Engineers cringe.

If you happen to be assigned the task of looking for a carrier to move a super-load or structure, choose the carrier as you would choose any other skilled professional such as an attorney or doctor, with great care. Ask your colleagues and other carriers for recommendations. Also ask your highly skilled cargo insurance guy for recommendations. Remember, we may insure some of the structure moves and have a vested interest in knowing who the best carriers are. There is also an organization called the International Association of Structure Movers (www.iasm.org) that can help guide you. IASM holds membership of professional structure movers and you can look for carriers closest to you. Don’t be deceived into thinking if a carrier can afford the cost of the membership to IASM they must be a good carrier, it’s just a good place to start, but your due diligence is still needed.

Because this is a TJOCARGO newsletter you know I have to talk about the cargo insurance end of things as well. Like the carriers, not all cargo insurance is created equal. TJOCARGO holds multiple policies with multiple endorsements to be able to insure freight such as structure moves, super loads, and locomotive moves on the rail. Most standard cargo insurance policies do not cover this tough stuff. Ask your carrier and cargo insurance provider if you’re covered, then ask them again. Ask to review the conditions, endorsements, and exclusions for your out of the ordinary freight. TJOCARGO stands behind several heavy haulers when per shipment cargo is needed. *Continued Page Two*

Incoterms Update

For those of you who were lucky enough to read the best selling TJOCARGO News Issue #4, (now in paperback at a fine retailer near you) you may remember me writing about Incoterms. If you don’t remember, brush up on the article by visiting our website www.tjocargo.com links section to view past issues.

I was mildly surprised to get feedback on my writing effort. Someone, who really should make it a point to get out more, suggested that I publish an Incoterm in each newsletter.

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How are Things in the Transportation Market?

We live in interesting times. We are now living in a time of opposites. Space on vessels for exports out of the USA is tight. Steamship lines are charging premium rates for USA outbound freight. Not very long ago outbound containers were filled with scrap as a way to get the container back to Asia to fill with “good freight”. If you plan on exporting goods out of the USA, keep equipment and space shortages in mind when you make a promise to a customer.

There’s very little domestic freight, few trucks, and prices are high. That’s sort of like both ends of the teeter-totter being on the ground at the same time. The rule of supply and demand has always dictated when there is no or low freight, trucking costs reduce due to competition. Not so this time around, it’s a new environment. Most people on the news that don’t make a living moving freight blame higher fuel costs. Of course this is true as one reason trucking costs are heading north, but it’s not the only reason. Another reason is the lack of freight itself when it comes time for truckers to set rates. Does that contradict supply and demand rules as we know them? Yes, and here’s why.

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Some time ago I began to wonder about the cargo insurance market for structure moves; much the same way Budweiser fueled men wonder how cool it would look if they drove their pick up truck through a mobile home. Since I believe great ideas can blossom from foolish thoughts, I went to find out about structure moves. The first thing I had to do was to find a qualified structure mover to make my guinea pig for information and industry standards. Following my own advice from page one of this newsletter, I started by doing due diligence. I asked other carriers about the market, looked for industry organizations to guide me, and picked the brains of colleagues.

I found there were several good structure movers in the Florida Georgia market, but one stuck out, Florida based T & T Moving and Heavy Rigging. One of the first things I noticed was this company managed to move countless structures with no insurance claims! How could this be? In projects of the scope and size of moving a whole structure I was sure there would be unavoidable mishaps. This is when I began to realize I was underestimating structure movers and their craft. T & T follows the remarkably similar path of many of the fine structure movers I investigated.

Family owned and operated, third generation in the business, ferociously proud of their principles of quality and workmanship, with little tolerance for companies who don't share their dedication to detail. When I was speaking with Cindy LaRue with T & T, she was quick to point out that there were companies that "called themselves structure movers" that her and her peers will not deal with because they were not true professionals. Yes, T & T is quick to embrace and compliment good qualities in other structure movers, as well as point out the bad apples. Their industry has the feel of a self policing industry that goes to great lengths to protect the whole industry's performance as well as their own. Along with the pictures in this newsletter, you can take a peek at their website www.housemover.us to see more of their impressive projects.

What does it take to be a structure mover? From what I have learned you wear many hats. The unofficial combination is super heavy hauler, rigger, engineer, construction expert, and logistics planner seem to be the minimum that I can see. Some structure movers, like T & T, go as far as keeping an inventory of known "movable structures" for their clients to choose from along with relationships with lenders to help finance the construction loan. There appears to be no college degree available for it and I have seen no commercials advertising training schools. Of course this explains why the business is generational with expertise handed down. At T & T, owned by Tim LaRue, you can easily trace the heritage throughout the LaRue family history of structure moving. The legacy will no doubt continue for T & T since their project manager's name is, you guessed it, Timmy LaRue, the son of Tim LaRue.



Publishers Note

Welcome to the Fifth Edition of TJOCARGO NEWS. Be sure to hang on to this one. Editions one through four are already selling at premium rates on E-Bay. TJOCARGO NEWS is published on a strict schedule of whenever we stumble across some interesting information and have time to write about it.

If you would like to contribute to the effort, contact us by e-mail. As long as your contribution is related to the transportation industry in some, even loose way, not offensive, and not obvious advertising (that's our territory) we can throw it in. Of course we reserve judgment on what goes in. As the publishers, we get to make or break rules as we go along, so anything and everything can change without notice. If you wish not to receive this newsletter, let us know and we can remove you from the mailing list.

Enjoy,
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Lash your freight likes it's your baby. This half million-dollar Rolls Royce was damaged by a Ferrari riding behind it that wasn't secured properly. The Ferrari hit the Rolls over and over again. I hate getting e-mails like that.

Starting Page Three with the Good Stuff

This practice should be started at the office, no?

London's Daily Mail reported in April that the Mab Lane Primary school in Liverpool was boldly dealing with the problem of unruly students by scheduling 20-minute massage sessions twice a week in a room with aromatic oils and soothing music. Children of all ages at the school are taught "simple shoulder and back massages on each other," the newspaper reported. [Daily Mail, 4-14-08]

AARP has two candidates for women of the year.

Should've chosen another career: Joshua Crowley, 22, was charged with robbing a Kentucky Fried Chicken restaurant in Camas, Wash., in March after being chased down, wrestled with, and subdued by passerby Mary Chamberlain, 66. [KPTV (Portland, Ore.), 3-20-08]

In April in Bartlesville, Okla., Robert Horsley, 46, allegedly tried to come through a window in the house of a 95-year-old woman, but she grabbed a screwdriver and continued to stab his hand every time he reached inside. By the time police arrived, said officer Tom Holland, "(Horsley's hand) was pretty chewed up and one knuckle was almost gone." [KOKI-TV (Tulsa), 4-23-08]

With names like these going down the wrong path was destiny.

Arrested in Tahoe City, Calif., in March and charged with stabbing his roommate: Timothy Stilletto, 45. [Sierra Sun, 3-6-08]

Arrested in Austin, Texas, in April after a SWAT standoff in which police tried to serve warrants for parole violation and other charges: Don Truevillain, 24. [American-Statesman (Austin), 4-13-08]

Arrested in Jefferson County, Wis., in March and charged with a vicious murder: James A. Hole, 34. [Wisconsin State Journal, 3-20-08]

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How are Things in the Transportation Market?

Typically when the market slows truckload carriers lower their prices to keep their wheels turning. The more attractive their rate, the more likely they will get the load rather than the truck next to them. Independent truckers, which are going out of business at an alarming rate, have learned that "getting the freight" doesn't always make them the winner.

Once a trucker goes away from home with a load, they depend on the next load, and the next load, to keep them rolling point to point while they run their business in an eventual route that will take them home again to their family. The problem truckers are having is there is no next load. Once our small businessperson accepts, then delivers, a load to Salt Lake City, that's where they sit bleeding money until more freight comes along. Moving an empty truck in search of freight has become too expensive. More and more drivers are taking their trucks off the road because they can't afford to lose money load after load. Truckers who stay out will quote what seems like an astronomical rate to move your freight to cover the costs of not having a "next load".

Something to count on in the future is this situation will get worse. Hundreds of trucking companies have gone out of business in the first quarter and some estimates of the future (this summer) have trucking outfits vaporizing at a pace of one hundred a week. As in everything it will come full circle when the economy starts pumping out freight again and the rule of supply and demand will take over again. If you think you feel sticker shock now at transport costs, just wait until all that new freight hits the diminished trucking industry. There will be very little supply for a future growing demand.

Intermodal (rail trailers) is coming back in vogue and will continue to grow due to the current market and the future truck shortages. Watch for capacity shortages in intermodal as more and more shippers switch to this mode of transportation to escape rising trucking prices. If you are thinking of switching to rail trailers for your cargo, keep in mind that rail transport is not for fragile or poorly packaged freight. It's a shake rattle and roll form of transport that isn't designed to carry fragiles.

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Incoterms Update

The "Incoterm an issue" theme sounded like a good idea for two reasons, the first being educational purposes. It's always nice to share information with others. The second reason it was a good idea was I get to cut and paste instead of bang away at the keyboard. So without further fanfare, here is this issue's Incoterm.

Incoterm: EXW Ex Works

The seller's obligation is fulfilled when the buyer has been notified, and the goods (suitably packed for export) are available to the buyer, at the named place within the time specified.

The buyer is responsible for all costs and risks, including the loading of the goods from the named/specified point.

The buyer is responsible to arrange the entire contract of carriage of the goods (pre-carriage, main-carriage, on-carriage).

The buyer is responsible for the export clearance of the goods. This term should not be used when the buyer cannot carry out the export formalities directly or indirectly.

The buyer is responsible for the import clearance of the goods.

There you are, Incoterm number one is in the history books. At the rate I write newsletters we should be through them all before the start of the 22nd century.