

Third Annual Transportation Customer Service Readers' Poll

What a year to be talking about customer service in the transportation industry. The challenges to equipment, infrastructure, and services have been well documented, especially for those of you dependent upon or directly involved in the trans-Pacific trade. While it is true that preparing for success in business is a good way to look at things, the reality is even the best planning can fall prey to unforeseen market forces.

This past year was an example of this even if it's possible some of the major challenges to freight movement could have been mitigated.

The transportation and logistics industry still had to work hard and creatively at times to, for example, get a box of toys sourced from Wenzhou, China to a distribution facility in Indiana.

There is little doubt that transport logistics service providers and their customers will need to work even harder to move cargo efficiently and productively in 2005 because the logjams from global trade, especially out of China, are not likely to disappear.

What is interesting to note about our Third Annual Transportation Customer Service Readers' Poll is that you took the time to vote at all. While our total qualified responses were about half of last year's, we expected an even lower turnout than that. This was such a busy, and at times extremely difficult year for global logistics, so who had the time to fill out an extensive questionnaire about customer service?

Well, many of you still did, and we are appreciative of that fact. The periodic testing of the customer service waters in our industry is an area we feel is important to try and benchmark.

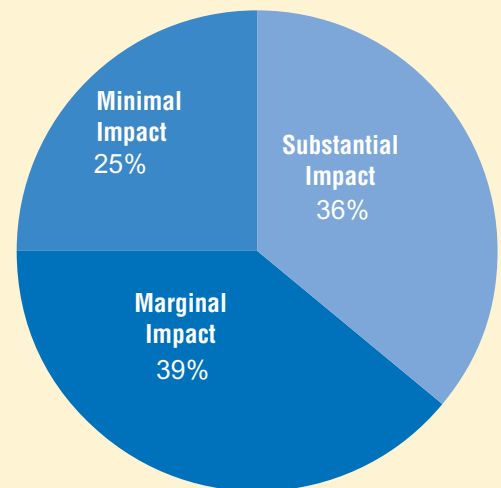
This is part of our customer service to you, the cargo business professional, and we will continue querying you in print and online on the types of service sectors we have outlined in this poll.

*Have the new MTSA-ISPS security regulations that came into effect July 1, 2004 ...

Had a substantial impact on your cargo business costs – 36%

Had a marginal impact on your cargo business costs – 39%

Had a minimal issue on your cargo business costs – 25%



*From 633 shipper/carrier responses

*Which feature do you find most useful on cargo websites:

Event notification - 40%

Pickup/delivery appointment setting - 20%

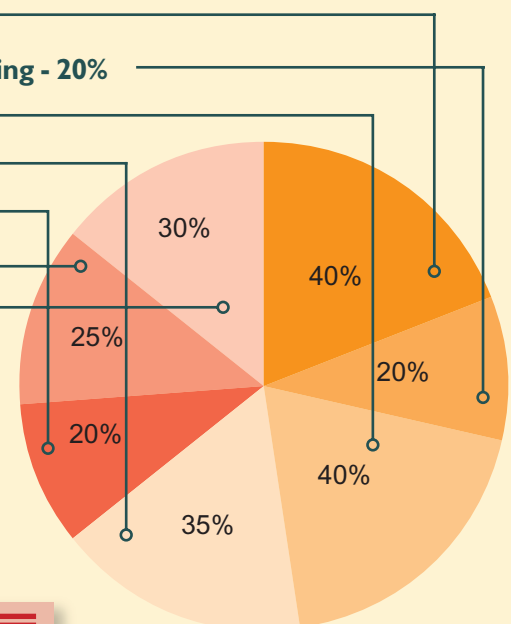
Container status - 40%

Online documentation - 35%

Gate activity tracking- 20%

Bill of lading tracking - 25%

Equipment availability - 30%



*From 410 shipper responses

"The way to gain a good reputation is to endeavor to be what you desire to appear."

– Socrates

"When you build a manufacturing plant, it starts depreciating on the day it opens. The well-served customer, on the other hand, is an appreciating asset. Every small act on her or his behalf ups the odds for repeat business, add-on business, and priceless word-of-mouth referral."

– Tom Peters

A note on our methodology: As we have the past few years, we once again wrapped covers around several issues of this magazine and asked our series of questions, which were either mailed or faxed back to us. Some of the sectors we polled do not show in this survey but will pop up in future issues this year. The results we show this issue were pulled from a total pool of 633 qualified responses, composed of shippers, carriers and related logistics providers. In the case of our Winners' Circle, the carrier votes were pulled from a pool of 410 qualified shipper responses that rolled in from around North America, with some coming in from Asia.

We do not "bait the hook" with a list of companies to vote for as we do not want to inhibit the freedom of responses.

We also added other modes of transport and on-line cargo business categories. This poll continues to evolve and there will certainly be changes and additions to the 2005 edition.

Readers will observe there is a mix of either top five winners or simply one or two winners in categories. The reason for the variations was that in some cases there were categories where a few companies received the lion's share of votes compared to virtually no response worth recording for others, leaving us to reduce the field.

Some of the companies you voted for no doubt were among those experiencing some of the greatest challenges during the very congested Peak Season; however, these votes attest that those same companies persevered.

Looking ahead to the Peak Shipping season in 2005, a journey that is already gearing up for many in the industry, one is reminded of the sage words of one of the principal founders of modern manufacturing and distribution, Henry Ford: "Coming together is a beginning. Keeping together is progress. Working together is success."

– Peter Hurme

WINNERS' CIRCLE

BEST OVERALL STANDARDS OF CUSTOMER SERVICE – CARRIERS

The criteria readers were asked to vote on for carriers included:

- Scheduled arrivals/departures
- Scheduled frequency
- Ports served (seaports, airports, inland facilities)
- Documentation procedures
- Equipment reliability
- Quickest customer service response time to queries

OCEAN CARRIERS

- ★ 1. APL
- ★ 2. Maersk Sealand
- ★ 3. MOL
- ★ 4. NYK
- ★ 5. OOCL

AIR CARGO CARRIER

- ★ 1. Alaska Air

RAIL CARRIER

- ★ 1. BNSF

BEST INDIVIDUAL OCEAN CARRIER WEBSITES FOR DOING CARGO BUSINESS

- ★ 1. APL
- ★ 2. MOL
- ★ 3. Maersk Sealand
- ★ 4. NYK
- ★ 5. CMA-CGM

BEST PORT BUSINESS WEBSITE

- ★ 1. Emodal

BEST THIRD PARTY WEBSITES FOR DOING CARGO BUSINESS

- ★ 1. Cargosmart
- ★ 2. GT Nexus

TOP FIVE SEAPORTS

Criteria includes: productivity, reliability and cost efficiency

- ★ 1. Tacoma
- ★ 2. Long Beach
- ★ 3. Los Angeles
- ★ 4. Oakland
- ★ 5. Charleston

TOP FIVE MARINE TERMINAL OPERATORS

- ★ 1. SSA Marine
- ★ 2. Marine Terminal Corp.
- ★ 3. APM Terminals
- ★ 4. Maher Terminals
- ★ 5. P&O Ports North America

CargoSmart

CargoSmart's multiple-carrier portal is an increasingly popular choice for customers to manage their shipments as indicated by the 300 new user registration requests we receive on average each week. This success results from three main reasons:

* We continuously listen to our customers during customer councils, local events, and one-on-one sessions. We incorporate their business and information needs and enhance our applications to provide customers with better tools to help them save time and improve their business processes.

* CargoSmart's feature set is rich and fully customizable. Functions such as reports with up to 100 possible columns, 36 milestone notifications and exception alerts, and tools to filter and share data with key parties throughout their supply chains mean that our customers can tailor CargoSmart to meet their individual business processes.

* We create value by listening to the needs of our member carriers so they can serve their customers better through CargoSmart. We always try to improve our product so that it benefits customer-carrier existing processes. As a result, our carriers promote CargoSmart to their customers as a value-added third-party shipment management tool.

We look forward to broadening our offerings to meet more customers' needs in 2005.



Steve Siu

eModal

Founded in 1999, eModal has become the largest Web-based Port Community System in the United States at www.emodal.com. The eModal system provides registered users with a common portal of container and booking information for 36 marine terminals on both coasts. Marine terminals complement their systems by transmitting eModal with the same information typically posted on their own Web sites. As a result, participating marine terminals enhance their customer service by providing needed and timely information at both their proprietary site and at the eModal Web site.



John Cushing

Today, more than 11,000 registered users log in to eModal with more than 3.5 million container view hits to the Web site per month. Users check the status of their cargo and pay demurrage or exam fees on-line with a credit card, debit card or electronic check. Getting in and out of many terminals is much easier by making an appointment for pick-up and/or delivery with the nation's largest multi-terminal appointment system, eModal Scheduler. Terminals address increased security needs with eModal's U.S. Coast Guard-recognized terminal/trucker verification security procedures, Trucker Check. With so many transportation industry users viewing eModal, it is understood why the popularity to advertise on the eModal Home Page.

With a new look and more user-friendly tools in the 2005 Web site release, eModal continues to improve communication and coordination for the entire transportation community.

APL

With our industry moving more than 100 million containers worldwide annually, getting cargo to destination on time isn't always plain sailing. But APL's customer support representatives do their best each day to keep the cargo flowing, finding solutions to problems and working proactively with customers to help them reach their markets on time.

Our partnership with our customers to help them move their business forward has enabled us to redefine service innovation and excellence within the company, and the award is a testament of our efforts in this area.

Over the years, APL has received extensive recognition from its customers, including several service awards, reinforcing the company's strong customer-oriented culture.

In a recent survey of the top 10 major ocean carriers serving the trans-Pacific trade, conducted by logistics consulting firm Capital Consulting & Management Inc. (CCMI), APL was recognized as a "quality" carrier and ranked first in the categories of "Service" and "Technology."

Listening to what our customers want is key to all we do — whether it's developing new products and services, improving our service channels, or changing processes to suit their needs.

APL uses every tool at its disposal to enable us to deliver transportation solutions that help our customers better manage and grow their business.

We continually invest in the development of our IT systems, so our customers can access the information they need anywhere, anytime, and the recognition by *Marine Digest* readers, voting us Best Cargo Business Web Site, confirms the importance of IT as an inventory tool. On our internet portal, HomePort, customers can create routes, look up schedules, rates, and tariffs, and both book and track cargo, similar to many airline Web sites. HomePort gives customers greater control and visibility, increased efficiency, and significant cost-savings.

In an industry first, APL recently launched a Customizable Sailing



Hank Moreira



Ted Fordney

"There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else."

— Sam Walton

Schedules online tool allowing users to specify up to 20 of their most commonly used port pairs and capture these settings in a standard report. The reports can be delivered online, as a spreadsheet, or as an email to be sent to multiple parties, saving the customers valuable time and effort on what is a critical but often mundane task.

In October, APL was named to *InformationWeek's* list of Most Innovative Info Technology Users for the fifth consecutive year, the only ocean carrier included in the list. *

Port of Tacoma

One of our goals at the Port of Tacoma is to be the most efficient and reliable intermodal gateway in North America. As an operator of marine terminals and on-dock intermodal yards, we know what it takes to achieve this goal. We also know the daily challenges that our customers face in their operations because — as an operating Port — we “speak their language.”



Tim Farrell

In planning our own operations, we look to the future in terms of cargo forecasting, infrastructure planning, the regulatory framework, and technology. Our customers benefit from our forward thinking. The Port of Tacoma pioneered on-dock intermodal rail, operating systems for on-dock yards, and Web-enabled rail system management.

The result of our operating knowledge and forward thinking has been cargo growth. Between 1998 and 2005, our container volume grew by 52 percent without adding a single new customer. That's because we make sure our customers are treated well and that they have room for expansion.

2005 will be another year of growth for the Port of Tacoma. For that, we thank our customers. The activity they bring to our community represents solid employment opportunities for our citizens. Combined with our goal of being the most efficient and reliable intermodal gateway in North America, our cargo growth will continue without negatively impacting the residents of our region. We encourage our customers to be a part of the communities where they operate so these relationships continue to be a strength for the Port of Tacoma. *

SSA Marine

Our thanks go to the readers of *Marine Digest* for selecting SSA Marine as it recognizes the remarkable job by our people in tackling the challenges presented this year.



Jon Hemingway

We have the luxury of a terminal management team that averages well over 20 years in the industry and working together at SSA Marine. We have also had the same officers for 15 years, remarkable in such a tumultuous industry. Their teamwork and effectiveness at working with both the ILWU and ILA to get the job done is what defines us.

We also have the luxury of terrific partners in our terminal operating companies

who bring a lot to the table in improving the quality of our operations and a willingness to invest in, as needed, to improve. Matson Navigation, — our partner in SSAT, COSCO — our partner at Pacific Container Terminal, MSC — our partner at Long Beach Pier A, and Cooper T. Smith — our partner in the South Atlantic, have each been instrumental in the development of those operations and in helping us face the challenges presented to all our customers.

And while they are just beginning with the big changes, I should also mention our technology and systems provider, Tideworks Technology, which added a huge amount of functionality to all our terminals so we could process trucks better and more securely.

Thanks again for the recognition; our people, who all worked so hard this year, appreciate it. *

Burlington Northern Santa Fe

As off-shore manufacturing and international trade continue to increase, intermodal transportation is playing an increasingly more important role in the nation's supply chain.

For 2005, the Burlington Northern and Santa Fe Railway Company (BNSF) is experiencing a volume increase the equivalent of three years of normal growth in a single year. In addition, BNSF is one of the largest intermodal rail carriers in the world, moving 20 percent more international containers in each year of the last two years.

With its 32,500-mile network, covering 28 states and two Canadian provinces, BNSF provides its customers with an efficient way to move freight between all North American West Coast and some gulf ports and all major U.S. destinations.

BNSF also offers its intermodal customers industry-leading technology services. With GPS and lift technology to ensure shipment safety and state-of-the-art gate technology to expedite handling at its 35 intermodal facilities, BNSF is an innovator when it comes to intermodal technology. BNSF customers can also obtain real-time information through the new customizable www.BNSF.com with one simple click.

Recognizing the importance of supply chain integration between Asian countries and the United States, BNSF recently signed an historic five-year Memorandum of Understanding for Cooperation in Rail Transport with the Ministry of Railways of the People's Republic of China.

Through service, technology, and supply chain integration, BNSF is working to build a better link between Asia and the United States. *



Fred Malesa

“The more you engage with customers the clearer things become and the easier it is to determine what you should be doing”

— John Russell, President, Harley-Davidson