

The Special Commodities Division

Ready to move you from the ground up!

Challenger has once again taken the lead in transportation with the expansion of our Special Commodities Division (SCD). With dedicated equipment, highly skilled drivers, and greater diversification into other sectors of the flatbed market, the SCD is filling the growing need in Canada for heavy construction materials transportation.

"We can now carry everything you need to build a new facility and evolve into product transportation afterwards," says David Einwechter, General Manager SCD, Challenger. "Customers take advantage of Challenger's ability to move heavy equipment such as HVAC machinery and manufacturing equipment. Our fleet's six-axle equipment is ideally suited for heavy weight loads such as building materials and equipment and we currently run them throughout Ontario, Quebec, and Michigan."

In contrast, our lightweight units, with extra light engines, reduce the need for weight-related split shipments where

multi-axes are not needed. The fleet also includes a full contingent of flatbeds, step decks, double drops with slider systems, and 75 power units. As always, we're here to help you find the best transportation solution available for your requirements.

Because of our size as a company, we have the full assets of Challenger behind us and a vast network of shipping lanes in constant use. "We continue to be one of the few Canadian carriers that can ship Canada-to-Mexico without trans-loading the freight to third-parties," David adds. Not only does the freight suffer less stress from additional moves, but security is tighter, and customers

can continue to count on the same level of protection for their products on the road as they do at home.

This level of safety and security is what customers have come to expect from Challenger's flatbed division. By diversifying, Challenger SCD now brings you the exceptional service you're accustomed to for regular flatbed service, to all your over-dimensional or heavy-weight shipments – even when it's the walls and roof for your next venture!

To talk about your unique special commodities requirements, call us at 1-800-265-6358.

"Assinck Limited has had the opportunity to work with CHALLENGER MOTOR FREIGHT and we are now awaiting our 3rd and 4th delivery from the west coast USA to Markham, Ontario. Without a doubt, the personal attention to service, on-time delivery as promised, highly competitive price and professional attitude has been most remarkable. We love working with this transportation company and would highly recommend you give them a try for your next Special Commodity shipment."

~ George Baker, Assinck Limited

Challenger drivers bring exceptional and varied skill sets to the table and can handle equipment of every configuration. Call us to discuss the unique requirements for your move.



With Challenger's vast network throughout North America, long-haul over-dimensional loads can be accommodated easily in one direction while we provide regular truck transportation the opposite way.



To protect product from viewing and the elements while avoiding direct contact, Challenger has outfitted 160 flatbed trailers with Roll-tite slider systems.



Connections

Speed Limiters

Ontario leads the country by passing landmark law

Much of the controversy surrounding June's passage of the speed limiter legislation in Ontario would have the public believe the trucking industry is irreparably divided on the subject. Reports cite the practice of forced speed control, in itself, will create unsafe conditions on our roads. Nothing could be further from the truth.

Though time will show this legislation to be the victory it is, shippers should be assured that many carriers within the North American trucking industry have been operating with speed limiters for years. "Challenger already limits its trucks to 100 kph and has for some time," says Dan Einwechter, Chairman and CEO for Challenger, who was in

Government of Ontario estimates this step will reduce greenhouse gas emissions by up to 280,000 tonnes every year. Fuel costs, a previously unforeseen player in the mix, will also come down.

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Dan Einwechter, Chairman and CEO, Challenger Motor Freight

So who are the opponents to this law?

"We've heard some of the complaints came from

owner-operators out there who weren't given a chance to express themselves prior to the bill being passed," says Dan. "But I watched them as I drove a shipment to Ohio last month and they made themselves quite clear on the subject by voluntarily limiting their speed. They drove the speed limit or lower. And although it was obvious several fleet trucks did as well, I was dismayed at the number of large carriers still going too fast. Even in the light of fuel costs alone this disregard is inappropriate."

Dissenters of the bill believe we'll see an increase in accidents related to the speed differential between trucks and cars but, as always, driving skills are the key. Challenger has seen no collisions as a result of this difference. "In France, truck speeds are restricted to 90 kph and cars are allowed to drive at 130 kph. The system works there successfully as it does throughout Europe," Dan adds.

Speed limiters bring consistency to truck movement on our roads and an even playing field for customers choosing a carrier. Car drivers will learn what to expect and adjust their own driving accordingly. Moreover, the slower speeds will not only keep our roads safer but will result in fewer emissions. A statement by the

Our customers should know that Challenger was at the forefront in bringing this legislation to pass. It's a win-win for safety and the environment and one that has been long overdue.



Connections

is a publication of Challenger Motor Freight Inc.
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Cargo Theft

Are you doing everything you can to prevent it?

Recent figures estimate Canadian carriers experience more than \$1 billion in losses a year due to cargo theft while in the US costs reach \$15 – 30 billion. In addition, law enforcement agencies on each side of the border estimate these reported incidents represent only 40% of the actual thefts, citing rising insurance rates as a reason to keep silent. One certainty, the numbers are increasing and the crime itself is evolving.

As society changes, this once non-violent crime has become increasingly aggressive with several carriers reporting armed hijackings in addition to losses of their cargo and often the trailer itself. “People don’t realize it isn’t only the high demand items such as electronics, alcohol, and cigarettes being targeted,” says Enno Jakobson, Executive Vice President for Challenger. “Anything can be sold, and the criminals responsible have become highly sophisticated in both procuring the goods and moving them quickly through their channels.”

Insufficient numbers of police assigned to cargo theft, and the erratic and often lenient sentences – often as a result of the cross-jurisdictional nature of the crime – make cargo theft a lucrative and relatively low-risk activity. Carriers must shift from the reactive approach of the past to a pro-active one both for the safety of their drivers and the stability of their business.

But how do you, as the shipper, lower your risk of being victimized by cargo theft? “Along with implementing an anti-theft plan within their own facility, shippers have to do their research when choosing a carrier,” says Mario DaSilva, Corporate Risk Manager for Challenger. He offers these suggestions as points to recognize:

- Ensure the company is legitimate. Do they have the requisite licences and authorities?
- Look at their physical security – their headquarters and yard. Does it operate 24/7? Is it fenced, gated, and well lit? Do they have dedicated

security? It’s not unusual to find a carrier with a great Website operating from a strip mall and a parking lot with no enclosed yard whatsoever. According to the Department of Transportation (DOT) in the US, the majority of all thefts occur in cargo terminals, transfer facilities, and consolidation areas.

- Ask about their employees. What background checks do they perform and are they company-wide? A DOT study reports that more than 80% of thefts occur with the collusion of persons whose employment provides them access to cargo. Ask also if the drivers are FAST certified, indicating they’ve been cleared by the RCMP and FBI.
- Is their equipment secure? Do they have GPS tracking and satellite communications? Can you follow your freight, real-time, via the Internet? Have they passed C-TPAT registration? Part of these standards requires carriers to seal the doors and record the details every time they are opened.

The safety and security of our drivers and our customers’ freight has always been at the forefront of Challenger’s operational endeavours. We take cargo theft – and the ramifications it places on everyone involved – extremely seriously. We’re in a time when we all must take part in the responsibility of keeping our people and our property safe. If you have any questions on Challenger’s anti-theft policies and procedures, call Mario DaSilva in our Risk Management department at 1-800-265-6358 ext. 2239.

Letter from Dan



As I write this issue’s letter, I’m pleased to know Ontario has taken the lead in making our roads safer by establishing a speed limiter law for trucks. Equally, to see it happen so rapidly.

When I participated in the fact-finding mission to Europe in 2005 with other industry professionals, I came back resolved to bring similar speed limiter legislation to North America. And though the trucking industry at large has always sought to self-regulate, the high stakes surrounding this issue warranted collaboration, and we feel significant satisfaction that the Ontario Government has stepped up to deliver this outcome.

Our drivers are our greatest asset – but more than that, they are our family

members, our friends, and our neighbours. Keeping them and the motoring public safer through speed limitation is the right direction to go.

I had the opportunity to step into our drivers shoes last month when I took my son Jake with me on a freight run to Ohio. I recognized first hand how the driver’s working environment has changed since the last time I crossed the border with a shipment. Thanks to the dedicated professionals in Challenger’s Customs department, I was trained in all the latest customs initiatives before leaving the yard. And like our drivers, I was still only a call or satellite message away from their expertise for the duration of the trip.

It’s this kind of support and knowledge, both behind the wheel and behind the scenes, that gives me great pride in our people and the confidence in knowing your freight will always move safely and securely to its destination.

Thank you for your continued trust in us,

Dan Einwechter
Chairman and CEO

Advanced Commercial Information (ACI)

Preparing for the paperless environment

Similar to ACE going into the US, eManifest is Canada’s business model for integrating an electronic reporting system and retrieving data from trade sources on highway and rail shipments from the United States. The information will allow the Canada Border Services Agency (CBSA) to review and risk assess shipments before they arrive at the border. From this data, the system will provide an indication of the level of risk for each shipment.

The goals and advantages of eManifest

This is the third phase of the ACI program, the first phases having already helped meet trade demands by moving air and sea trade data towards a paperless environment. The goal of this initiative is to enhance commercial transportation security by using electronic manifest reporting. It will also speed up trade processing at the border.

Getting the right information to the CBSA at the right time will facilitate legitimate trade while protecting Canadians from potential threats. By connecting with eManifest, businesses

can contribute to the health, safety and prosperity of Canadians.

The eManifest initiative will provide the following:

- Advance crew and conveyance information from carriers, freight forwarders and importers
- A new Web portal option to view or submit advance information to the CBSA
- Automated risk assessment in advance of the arrival of goods at Canada’s borders
- Streamlined border processing through integrated systems



The eManifest initiative will provide the same services for both highway and rail commercial trade. It will require all importers and freight forwarders, not included in phase one and two, to submit information electronically for all modes. In addition, the initiative will enhance the capability of the electronic reporting system for all land, sea and air trade chain partners (freight forwarders, importers, carriers and brokers).

As the phase-in period approaches in 2009, Connections will bring you up-to-date on what eManifest and ACI changes we can expect to see.

“People don’t realize – anything can be sold.”

Enno Jakobson, Executive Vice President,
Challenger Motor Freight