

Connections

Our Grand Opening

Challenger's New Facility Officially Opens for Business

Challenger Chairman and CEO Dan Einwechter and Challenger President Eugene Moser performed the official Ribbon Cutting ceremony for the new Cambridge facility this past June. Surrounded by a network of friends, guests, and dignitaries, including Canadian Trucking Alliance CEO David Bradley, Dan spoke of the support Challenger has received from the industry over the years and he thanked everyone for coming out to be a part of the celebration.

"It was one of those days I thought would never come," said Dan. "It was the culmination of a lot of dreams and a lot of hard work and it was reassuring to hear so many positive comments."

Beginning as a single-truck company 31 years ago, Challenger has matured to a fleet of 1450 power units and 3300 trailers, rapidly outgrowing each of the satellite facilities added to accommodate expansion. With the Maple Grove groundbreaking ceremony in May 2004, we moved into our next era. "It was a remarkable achievement," says Dan.

"In hindsight; anything we might have changed is inconsequential, which shows the depth and capabilities of the team involved in this project."

"This facility is our opportunity to show customers that we are in it for the long run; that we are professionals committed to them and to the industry," said Eugene. "We built it for efficiency, for helping drivers get in and out so they carry-on delivering their customers' freight and we built it foremost for their comfort and safety both here and on the road.

"We've had people say that after the tour they would never look at a truck in the same way," he added. "We are a high-tech, and extremely sophisticated organization, and it shows."



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Dan Einwechter, Chairman and CEO, Challenger Motor Freight



Eugene Moser and Dan Einwechter.

Customers know that their freight is safe, not only because they can track it throughout its journey, but because they realize we use the best equipment and recruit only professional-level drivers to look after that freight. Our new facility enables us to retain those drivers, to continue to provide unsurpassed service, and to do our part in keeping Canada a significant trading partner with the United States.



Challenger Begins Submitting Electronically with ACE e-Manifest

Keeps Trucks Rolling and U.S. Borders Safe!

ensure shipment data is accurately entered prior to arriving at CBP processing booths. Failure to ensure the coordination of accurate and advance data will result in delays.

ACE is designed to operate most effectively with advance electronic manifest data combined with accurate advance release data. Drivers and shipments arriving with an accurate e-manifest and release data will be processed more rapidly as all required information would be immediately available to the CBP Officer. This will eliminate the need for additional use of wands, scanning, or keying of information at the primary inspection lanes as well as unnecessary referrals to the secondary lanes.

CBP plans to complete ACE deployment to all US land border ports in 2007. A mandatory e-Manifest policy for trucks eventually will be enforced at all land border ports with implementation beginning on a port-by-port basis. CBP expects to have the mandatory e-Manifest policy in effect at all land border ports by the end of 2007.

“Challenger has added Customs personnel dedicated to managing the Carrier’s requirements for ACE. Our pro-active approach is to ensure we are fully compliant with CBP before the mandate,” says Karen.

ACE has the potential to streamline the border-crossing paper flow and enhance border security through heightened

shipping details and increased accuracy – but it offers another benefit to customers. CBP has set up a new payment plan. Currently, fees are charged on a transaction-by-transaction process. Under ACE, customers will have the option to

New ACE Manifest Requirements

- Contact information for the assigned US Broker
- Full description of freight by commodity type
- Tariff classifications and estimated values
- Piece-count in the lowest form of measure
- Weight in pounds
- HAZMAT loads – include the UN number and the value of the load
- FDA loads – identify the freight as such
- Bond shipments – identify the bond as T&E or I.T.

choose an interest-free periodic monthly statement instead.

Ultimately, customers will see several benefits through this policy – reduced processing time at the border, greater security, and cost-savings in accounting and processing.

To request more information, call Karen at 1-800-265-6358 ext 2292.

In its latest mandate, the US Customs and Border Protection Agency (CBP) will require all truck carriers to electronically transmit their manifest (cargo) details to Customs prior to arrival at the US port of entry. Designed to speed processing, the Automated Commercial Environment (ACE) policy will eliminate paper documentation and enable US Customs to automatically match truck manifests with their customs entries filed in advance by carriers, importers or brokers.

“Filers and carriers must take the time now to review their supply chain communication processes and ensure that data is being shared and input accurately, consistently and on schedule,” says Karen Richards, Customs Administrator for Challenger. Best practices include having the carrier query the filers’ database to

Innovative Solutions

One More Way that Challenger “Goes the Distance”

Challenger’s reputation for innovative ideas and customized solutions has, in part, come from recognizing and proactively adapting to changes in the industry.

Customers also rely on Challenger for beyond-the-box thinking. “As an example,” says Brad Bebbington, Director of Operations, “we currently assist a customer in shipping elevator parts from their US midwest facility to customer sites in Ontario and Quebec.” For this, Challenger developed a full distribution

plan where the parts are loaded onto regular trailers in the US and brought to the Challenger yards in Cambridge and Montreal. From there we offload them with a boom attachment and reload them into destination trailers equipped with a built in crane. The appointments are booked and the loads distributed according to the customer’s needs.

“Most of the parts go to construction sites where there are no docks,” says Brad, “By using the truckcrane, the driver is able to carry the bundles up to 12 feet past the

back of the trailer.” The service runs year round and helps simplify the distribution of materials, save time and labour, and provide a safer job site for the workers.

Challenger has also met freight related requirements by designing both high volume and lightweight multi-axle equipment for customers. Whether at our facility or as a transportation solution, Challenger is always looking for new innovative ways to produce more value for our customers.



Letter from Dan

Just over a year ago, Challenger moved into its new facility. In reflection, I can see the tremendous amount of time and effort it took from all of us to accomplish its building, and it is a testament to the people and the knowledge base we have that we still increased growth by 15 percent for each year during this time. But it is also a relief that the project is now complete and we can focus all of our resources to what we built our business on – providing excellent service to our clients.

Much of this involves staying on top of the continuing changes in border security. Our Customs Administrator Karen Richards, in particular, deserves accolades for her part in implementing ACE within Challenger and presenting it at a two-day presentation at the AIAG forum in Detroit. Karen is a true expert in her field and the people there looked to her for insight and wisdom.

Challenger was among the first carriers to devote the time and money needed to

implement changes in preparation for the ACE deployment. It is unfortunate that postponements made by US Customs to accommodate carriers not yet prepared have resulted in continued border delays for those of us who took the initiative as scheduled.

In addition to ACE, a new border policy looms that we must deal with. The USDA will soon implement a border-crossing fee for all trucks – including the 80% that do not import food-related shipments to the US.

In our continued departure from building mode toward increased service, we have expanded our fleet with 60 new quad-axle trailers for targeting business in both central Canada and the Pacific north-west.

We have come full circle in our growth cycle and have returned to running our business and focusing on the things our customers ask of us – but we are doing this from our new position of strength. And we look forward to continually building on this service for you.



Canadian Hours of Work

The long-anticipated Canadian Hours of Work will come into law on January 1, 2007, and Challenger drivers are ready. "We continue to provide information sessions to our drivers, targeting the changes and how they can maximize the regulations to best serve our customers," says Anisa Copeland, Driver Relations Coordinator for Challenger.

Similar to the US Hours of Service, Canada's new rules will have a significant impact on maintaining customer schedules. As an example, time spent waiting at Customs or a customer's dock will now be included in the driver's maximum total number of hours for a shift. Once the clock starts ticking, drivers have no way of gaining lost time and this must be added to your shipment. "Additionally, to maintain compliance on both sides of the border, drivers must adhere to the Canadian Hours of Work while on Canadian soil and the US Hours of Service once they have gone through customs," says Anisa. This involves factoring-in further restrictions on driving time.

We are asking for your co-operation in being prepared both with your freight and your paperwork so drivers can use your shipping time efficiently. For a detailed account of the new hours, visit: <http://canadagazette.gc.ca/partII/2005/20051116/html/sor313-e.html>. If you would like to speak with a Challenger representative to discuss time-saving procedures, please call us at 1-800-265-6358.



Institute of Chartered Accountants Honours Eugene Moser

Challenger Motor Freight President, Eugene Moser FCA, was recently elected into Fellowship by the Institute of Chartered Accountants of Ontario.

"From the years I have had the pleasure of working with Eugene, I certainly understand and applaud the Institute for making this decision," said Dan Einwechter, Chairman and CEO of Challenger. "We would all like to congratulate him on this accomplishment and to thank him for his exceptional commitment of time and expertise toward making our company what it is today."

Fellow Chartered Accountant (FCA) is the highest designation that the Institute confers, recognizing outstanding career achievement, leadership, and contribution to the community and the profession.

Intermodal Transportation

With Challenger Logistics

For years, our customers have chosen Challenger Logistics as their single-source transportation partner. Through our network of third-party carriers and with the support of Challenger Motor Freight's asset base, we continue our strong commitment to serving you with truckload, LTL, specialty equipment, rail and expedited services anywhere in North America, plus global ocean and air transportation.

Now on board with comprehensive North American truckload intermodal rail services

Challenger Logistics' proven ability to manage shipments using a variety of modes has resulted in demand from our clients for us to offer a full range of intermodal services. To satisfy this demand, Challenger has built relationships with Canadian and US railways that give us access to modern rail equipment and services in corridors that will benefit both our existing and potential clients.

As an intermodal service provider, Challenger Logistics can offer an alternative mode of transportation to our truckload service. "Customers now have a choice and complete flexibility for their truckload shipments, from one provider," says David Warne, Business Development Manager, Challenger Logistics. "Whether we ship your freight by truck or by rail, your shipment remains intact, secure, visible in transit, and managed using the same quality processes – with the same customer service – that our clients expect from us."

Capitalizing with intermodal service

With Challenger Logistics' you choose the mode of transportation and we take care of the rest.

- **Complete freight management** – We can manage your truckload shipment by

road or rail, working with you to consider your customer requirements, transit and lead times and the commodity being shipped.

- **Flexibility** – Take advantage of intermodal capacity for steady high-volume lanes, to manage peaks in customer demand, or as a cost effective method to ship to distant markets.
- **Increased market reach** – Tap into markets previously outside your natural shipping reach.
- **Visibility** – Explore the benefits of Challenger's web site portal for access to your shipping history, tracking, and documentation.

Keeping customers in touch with a changing marketplace

Challenger Logistics recently helped a client meet an urgent request when capacity issues at a local production plant forced them to supply their customer cross-country. Because of the relatively low value of the product, the volume of orders, and the distance from the alternative production site, over the road truckload service was just not an option for all of the traffic. "The customer turned to us for a solution," said David, "and we came up with a cost effective blend of road and rail service that would assist them until their primary production facility came back on line. We reacted quickly, moving their product from the Montreal facility to their West coast customers without interrupting the supply chain." As business grows and markets change, we need to keep flexible to stay ahead of the competition.

Challenger Logistics' intermodal capability is an essential service for planning your shipments efficiently and staying consistent with your business objectives. For further information on how Challenger Logistics can help you, call David at 1-800-265-6358 ext 2329.



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We go the Distance