

TRANSIT

THE NORTHERN ARROW NEWSLETTER

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Letter from the President



Exceeding customers' expectations! At Northern Arrow, we make it our business to provide our customers with service excellence.

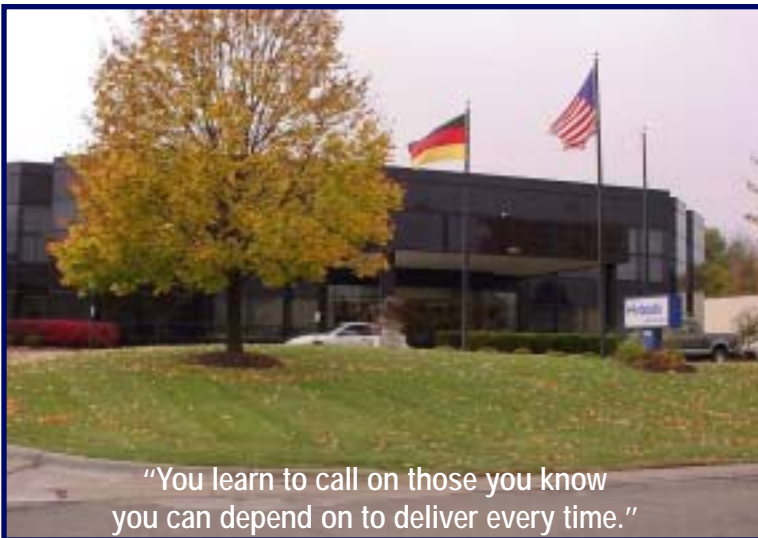
Our secret ? We invest in building relationships with everyone involved in the supply chain and to optimise on what works best for all. Collaboration does work. We have chosen to exceed industry norms and to benchmark the quality of our service against customer total satisfaction. For example, we offer around-the-clock availability, 7days a week, including holidays.

Our team of dedicated specialists in Canada and around the world can be reached at any time. Should an issue arise, we will not wait for next business day to resolve it. Service excellence in freight forwarding is our pledge to you !

Read what John McConnell of Webasto writes...

 , President

Webasto Roof Systems Inc.



"You learn to call on those you know you can depend on to deliver every time."

Announcing...

Northern Arrow Transport Inc.

At Northern Arrow we are passionate about freight forwarding and that is why we have recently added to the services we provide our customers by creating Northern Arrow Transport Inc. This new division specialises in ground freight transportation, for domestic destinations as well as to and from the USA, for LTL and Full load shipments.

Now, whether you require cargo to be shipped around the world or to the next town, you will find all the expertise to do so under one roof and with the same quality of service that is Northern Arrow's trademark.

INCOTERM QUESTION ?

What does the term "CIF" mean ?

"CIF", which stands for Cost, Insurance, Freight, means that the seller delivers when the goods pass the ship's rail in the port of shipment. The seller must pay the costs and freight necessary to bring the goods to the named port of destination BUT the risk of loss or damage to the goods, as well as any additional costs due to events occurring after the time of delivery, are transferred from the seller to the buyer. However, in CIF the seller also has to procure marine insurance against the buyer's risk of loss of or damage to the goods during the carriage.

Profiling:

John McConnel, Corp. Logistics Manager, Webasto Roof Systems Inc.

The auto market is continually building more cars with sunroofs and chances are this sunroof comes from Webasto Roof Systems. Germany-based Webasto AG, the parent company of Webasto Roof Systems Inc., is the largest supplier of roof systems to the global automotive industry.

Webasto has been a family business since its foundation 100 years ago. Webasto employs over 5000 people and actively seeks family-type close-knit relationships with its customers and supplier partners alike. At the center of this relationship hub, is a man by the name of John McConnell, Corporate Logistics Manager for Webasto USA.

John and his team face the daunting daily task of keeping incoming



John McConnel, Webasto Roof Systems Inc.

material flowing and on time from over 100 different suppliers world wide, in order to maintain his plant in constant uninterrupted production. On the flip side, John keeps finished products flowing to the various sequencing centres which assures a constant supply of parts to automotive assembly lines.

One of the new challenges John faces, since 9/11, is increased security requirements combined with advanced notification to various government agencies. *"It is complicated and time consuming and could delay production at one of the 4 Webasto plants in the U.S."* advises John McConnel. John relies heavily on the relationship forged with his freight forwarding partners to assist him in keeping things flowing. John acknowledges that the general dynamics of the transportation industry has changed substantially. *"Today, it is no longer just pricing and co-ordination. The biggest bang for your buck comes from obtaining outstanding regular service."*

John deals with over 100 agencies and freight forwarders that his company uses world wide. *"You learn to call on those you know you can depend on to deliver every time."*

"One of the things I have always appreciated about Northern Arrow who I have been working with for years now, is the fact that they are available 24 hours a day, 7 day a week. Now that's personalised service! They have provided consistent service and have excelled in managing my needs in North America, Europe and Asia."

Industry News: ACI /Advance Cargo Reporting

Proposed timeframes for mandatory electronic reporting of cargo data :

- * Rail - 2 hours prior to arrival
- * Air - (for flights greater than 4 hours) - 4 hours prior to arrival
- * Air - (for flights of less than 4 hours) - "Wheels up", at time of take off
- * Highway - (non-FAST shipments) - 1 hour prior to arrival
- * Highway - (for FAST shipments) - no advance reporting requirement - Canada bound
- * Marine - 24 hours prior to lading (effective April 2004)

Questions or concerns regarding the proposed Advance Cargo Reporting timeframes may be addressed to: ComReeng@ccra-adrc.gc.ca

Q & A

Why do some carrier ask for fuel surcharges but others don't ?

Since September 11, 2001 and the U.S. war against Iraq, the cost of fuel has substantially increased. Carriers have responded in various ways: some ask for a fuel surcharge, allowing them to show customers where the costs increase comes from. Others worked it in their overall charge. But whether identified or not, the cost of fuel is a factor that has generally offset the cost decreases otherwise realised in the industry as a result of increased competition.

THE CHALLENGE CORNER

Timing is everything!

On Friday May 2nd, 2003, Northern Arrow is approached by a customer with a particularly time sensitive and critical shipment. It consists of 45 pieces of automotive glass panels consolidated on 3 skids of 750kgs that must be delivered from Mexico to Detroit, by start of shift, Monday May 5th 2003 at 06:00, without fail. In the automotive world as in many industries, the cost for line or plant shut down is astronomical, therefore timing is of the essence.

Only partial details were available on Friday May 2nd, yet the team at Northern Arrow began securing the most feasible solution for the shipment with their Mexican partners. They were well into the evening before an exact pick up time could be determined.

The size of the shipment also presented somewhat of a challenge since most carriers do not offer direct wide body capacity to Detroit from Mexico city. The solution was to move the goods through Canada, since Air Canada offered daily wide body flights direct to Toronto. Northern Arrow then arranged for a bonded trucker to move the goods "In Bond" from Pearson International Airport to Ambassador Bridge for clearance by the appointed broker.

The goods were picked in Mexico on Saturday May 3rd 2003, with customs formalities already completed, and were delivered to the airline on time. Shipment then moved as booked, trucker was standing by at airport and broker was on after-hours alert. On Monday May 5th, at 06:00, the goods were delivered to the plant at Rochester Hills, near Detroit, as promised.

The shipper and the customer were pleased and to us, that is the greatest of rewards!

ASK US !

Got any question you would like us to ask Northern Arrow? Simply email it to us at info@northernarrow.com