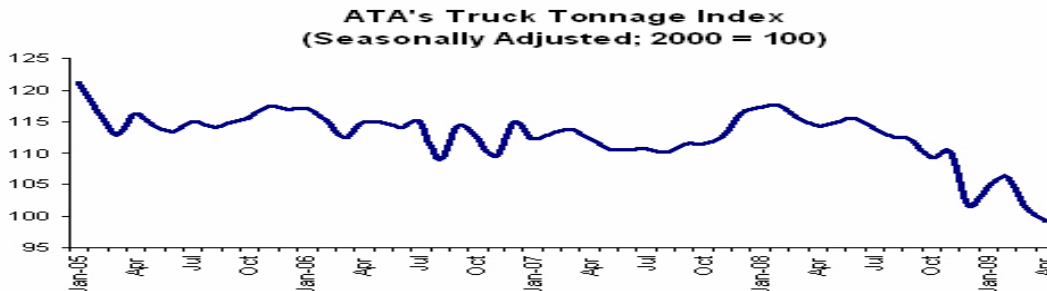


WHERE IS THE MARKETPLACE HEADED?

The Signals Are Mixed

This is one of the most difficult economies that supply chain managers have ever had to face. The economic pressure on companies to reduce costs and create efficiencies is enormous. These challenges are made even more difficult by the inconsistent information you find in the media. For example:

The American Trucking Association announced on May 26th that their advance seasonally adjusted (SA) For-Hire Truck Tonnage Index fell 2.2 percent in April, after plunging 4.5 percent in March. April marked the second sequential decrease. In April, the SA tonnage index equaled just 99.2 (2000 = 100), which is its lowest level in seven years.



In the same week, the National Association for Business Economics Outlook, stated in a report released on May 27th, "The end of the recession is in sight, according to a new survey of leading economists". While the economy is showing signs of stabilizing, the recovery will be more moderate than is typical following a severe downturn. The panel of 45 economists said it expects economic growth will rebound in the second half of 2009. "We believe the pace of job losses will be narrowing sharply over the remainder of this year and employment turning up in early 2010," said NABE president Chris Varvares.

The Journal of Commerce reports that cargo throughout Asia's largest ports is declining at a double digit clip as the global recession erodes the regions exports. YRC indicated that LTL demand remains weak and carriers are slashing capacity. Their CEO, Bill Zollars, stated "Business is coming back although not as much as expected". Pacer International said May was better than April excluding housing and autos. Volume was up 5% at J.B. Hunt Transportation.

Fuel Adds To the Confusion

After peaking at \$4.76 a gallon in July 2008 and dropping to \$2.02 in March 16 2009, fuel is on the march upward again. While some may view this as a positive

sign that the economy is improving, it is not looked upon as good news by most shippers who saw their budgets blown away and margins impacted by previous increases in fuel costs they were unable to pass on to their clients. Remember, the increase in the price of fuel in either direction can take 30 to 60 days to make its way on to your freight bill. As a result the impact of this turn in fuel prices is just beginning to be seen now.

So what is really happening and what should our clients be doing in light of these mixed signals?

Here Is What Smart Shippers Doing

Clients are recognizing that Data2Logistics is more than a freight bill processing company that identifies carrier billing errors. We have the resources and information to help your organization meet the challenges your business demands today. Faced with reduced staff and increased pressure to improve operations, our clients are turning to the Business Intelligence Team at Data2Logistics.

We have the experienced staff and logistics expertise to support our clients in this most difficult transportation environment. We have the generalized know-how that allows us to identify where there are opportunities to reduce costs. Our team acts as an extension of your business analyzing your rates, contracts, shipping patterns and business practices to identify opportunities to save money that falls right to the bottom line. We can prepare and analyze bids, and support carrier negotiations for all modes of transportation.

If the economy is on the rebound, now is the time to lock in rates and lock out general rate increases. If the economy is going to remain unsettled for an extended period of time, you need to identify opportunities to leverage your current spend and negotiate rates that will allow additional dollars to flow to your company's bottom line. We can also identify both inbound and outbound consolidation opportunities and build round trips to reduce expense. We are strong proponents of our clients having their own fuel surcharge schedules. This is a sound money saving practice to employ regardless of the price of fuel.

These are all tasks that many logistics professionals recognize as actions that should be taken, but with reduced manpower and head count, never make to the top of their 'to do' list. We can provide the resources needed to allow you to achieve the saving performance required in these difficult economic times.

To learn more about these opportunities contact Harold B. Friedman at 609 577 3756 or via e-mail at Harold.Friedman@Data2Logistics.com.