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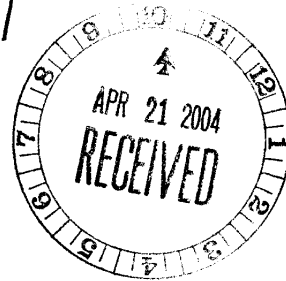
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April 21, 2004

210651



Vernon A. Williams
Secretary
Surface Transportation Board
The Mercury Building
1925 K Street, NW #700
Washington, DC 20423

Re: Section 5a Application No. 46 (Sub-No. 20)
Southern Motor Carriers Rate Conference, Inc.

Dear Secretary Williams:

Enclosed please find the original and ten copies of the initial statement of Southern Motor Carriers Rate Conference, Inc. (SMC) filed in support of its application in the above-styled proceeding requesting nationwide collective ratemaking authority on behalf of its member motor carriers.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads 'John R. Bagileo'.

John R. Bagileo
Counsel for Southern Motor Carriers
Rate Conference, Inc.

Enclosures

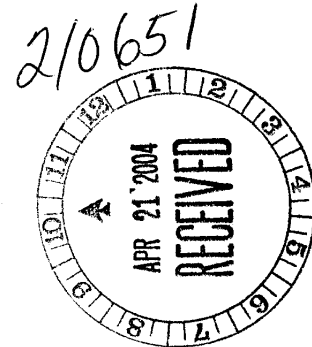
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Before The
Surface Transportation Board



Section 5a Application No. 46 (Sub-No. 20)
Southern Motor Carriers Rate Conference, Inc.

Initial Statement Of
Southern Motor Carriers Rate Conference, Inc.
In Support Of Application

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Counsel for Southern Motor Carriers Rate
Conference, Inc.

Due: April 22, 2004
Dated: April 21, 2004

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Before The
Surface Transportation Board

Section 5a Application No. 46 (Sub-No. 20)
Southern Motor Carriers Rate Conference, Inc.

Initial Statement Of
Southern Motor Carriers Rate Conference, Inc.
In Support Of Application

Southern Motor Carriers Rate Conference, Inc. (SMC), by counsel, files this its Initial Statement in support of its application, submitted pursuant to 49 U.S.C. § 13703, seeking nationwide collective ratemaking authority, and respectfully states as follows:

I.
Background of Proceeding and
Summary of Argument

On December 19, 1996, SMC submitted its renewed application requesting nationwide collective ratemaking authority to serve its member motor carriers' expanded transportation and pricing needs.¹ When collective ratemaking authority was first granted to SMC in 1956, its member motor carriers generally conducted their transportation operations within the so-called Southern Territory. Therefore, the limitation of their ratemaking activities to that defined region was responsive to their pricing needs. With the passage of the Motor Carrier Act of 1980, and subsequent legislation, motor carriers expanded their transportation operations nationwide to meet their customers' service requirements. For the SMC motor carriers their pricing needs became nationwide in scope. As seen from the supporting carrier statements submitted in this reopened proceeding, a nationwide pricing mechanism is needed by even the smallest companies which must conduct such expanded operations by direct or interline transportation services.

Unprecedented support was submitted by the transportation community in the proceeding in which the STB considered SMC's nationwide collective ratemaking

¹ SMC originally filed an application for nationwide collective ratemaking authority in 1994.

application.² There are 191 statements of record submitted by shippers, transportation intermediaries, the North Carolina Traffic League, and other members of the transportation community supporting the granting of SMC's application. Also, 116 statements from small, medium-sized and large SMC motor carriers attested to their need for expanded pricing authority. In the STB's Decision served on December 18, 1998, the agency recognized the anachronistic nature of restrictions limiting motor carrier ratemaking associations to geographic territories, and would have lifted those territorial restrictions on the scope of their agreements upon the subsequent renewal of those agreements after December 31, 1999.

In Section 227 of the Motor Carrier Safety Improvement of 1999,³ the STB was prohibited from authorizing regional rate bureaus to operate on a nationwide, rather than a territorial basis. In the STB's Decision served on February 11, 2000 in the consolidated rate bureau proceeding, the agency stated that the legislation directed it not to implement the intention expressed in the 1998 Decision to allow rate bureaus to operate on a nationwide basis.

In Section 354 of the Omnibus Appropriations Act FY 2003, effective February 20, 2003,⁴ the prohibition against the STB granting nationwide ratemaking authority was stricken. Congress restored to the STB the jurisdiction to grant to a motor carrier association the full scope of the collective ratemaking authority required by its member carriers and in the public interest—a power which the agency previously possessed and exercised for six decades.

Final approval was given to the SMC's collective ratemaking agreement in the STB's Decision served on October 16, 2003, in the consolidated proceeding in Section 5a Application No. 118 (Sub-No. 2), et al., EC-MAC Motor Carriers Service Association, Et Al. On November 5, 2003, SMC filed its petition requesting the reopening of this proceeding based upon the restored legislation, and the prior record and STB decisions on this matter.

In the STB's Decision served on March 23, 2004, the Board, by Chairman Nober, granted SMC's petition to reopen this proceeding, and set a procedural schedule for the submission of additional evidence. SMC's initial statement is due by April 22, 2004, and replies are due by May 24, 2004. Rebuttal by SMC is due by June 7, 2004.

SMC's need for nationwide collective ratemaking authority has increased over the past seven years. Of its 125 member motor carriers, 68 are located outside of the region identified as the Southern Territory. While SMC can respond to their need to establish a pricing mechanism within its present ratemaking territory, SMC cannot serve the pricing

² SMC's nationwide application was consolidated with those of the other rate bureaus in Sec. 5a Application No. 118 (Amendment No. 1), et al., EC-MAC Motor Carriers Service Association, Inc., Et Al.

³ See former 49 U.S.C. § 13703(d).

⁴ See Pub. L. No. 108-7, 117 Stat. 11, H.R. Conf. Rep. No. 108-10 (2003).

needs of those member carriers in their areas of principal operations outside of that region. With respect to SMC's carrier members located within the Southern Territory, SMC still cannot establish pricing responsive to their expanded transportation operations.

Nothing in 49 U.S.C. § 13703 warrants that limitation. Indeed, the STB has the authority to grant nationwide collective ratemaking to motor carriers under that provision, and over the years the former Interstate Commerce Commission so authorized household goods carriers, bulk carriers, machinery haulers and certain specialized carriers.⁵ Today, the nationwide pricing needs of SMC's member motor carriers are no different than those of other carrier groups. The anachronistic nature of the territorial restrictions on SMC's ratemaking agreement no longer serves any legitimate purpose, and only acts as an impediment to its member carriers in establishing a competitive and reasonable baseline of class rates for its customers throughout the Nation.

Other events have occurred which have heightened SMC's need for nationwide ratemaking authority. One of the reasons for the original application was the concern that some of the then existing rate bureaus would go out of business, and the continuation of the available baseline of class rates would be in jeopardy. Notwithstanding the protests of other rate bureaus that such demise would not happen, three, namely, the Motor Carriers Tariff Association, The New England Motor Rate Bureau, Inc. and the Williamette Tariff Bureau, Inc., have not had their Section 5a Agreements renewed. In fact, those rate bureaus are out of business. The New England Motor Rate Bureau, Inc. was one of the four rate bureaus which objected to the granting of nationwide ratemaking authority, and another, the Niagara Frontier Tariff Bureau, Inc., has changed its name and removed its offices to Canada.

Two rate bureaus have expressed opposition to SMC's application. These are EC-MAC Motor Carriers Service Association, Inc. (EC-MAC) and the Rocky Mountain Motor Tariff Bureau, Inc. (RMB). While steadfast in their opposition they have not informed the STB of any of the details of their organizations. How many member carriers do they have? What methodology do they use in constructing their general rate increases? Which carriers contribute data? How many employees do those rate bureaus have? When was their last public docket held? What is their financial position? These inquiries are critical not only to their continued operations but, more importantly, to the integrity of the class rate system upon which the entire transportation community relies for the pricing of motor carrier services.

SMC's organization and ratemaking procedures are an open book. Its collective ratemaking activities are conducted at open meetings to which the public is invited, and during the meetings each public participant is provided a copy of the information considered by the carrier members of the General Rate Committee. After action is taken

⁵ See, e.g., Machinery Haulers Association—Agreement, 302 I.C.C. 741 (1958), granting that association nationwide collective ratemaking authority; see, also, National Automobile Transporters Assn.—Agreement, 325 I.C.C. 707 (1965); Mobile Housing Carriers Conference—Agreement, 318 I.C.C. 564 (1962); and Oil Field Haulers Assn., Inc.—Agreement, 291 I.C.C. 780 (1954).

by the General Rate Committee, SMC distributes about 2,500 copies of its Carrier Cost Index White Paper explaining the basis for the proposed general rate action to the STB, shipper associations including the National Small Shipments Traffic Association, the National Industrial Transportation League, the North Carolina Traffic League, all licensed CzarLite users, and all SMC member motor carriers and associate members. Neither EC-MAC nor RMB can make those same claims in their collective ratemaking activities.

The allegations that SMC should not be granted nationwide ratemaking authority because the motor carrier association might become a "super bureau" is groundless rhetoric. The SMC application seeks to avoid the reliance of the member motor carriers on a patchwork of class rates created by other rate bureaus. Simply put, the SMC member carriers want to expand their collective ratemaking activities to enable them to meet their own pricing needs based on their expenses and revenue needs. Historically, the territorial scope of the ratemaking authority granted to a motor carrier organization has corresponded with the operations conducted by its members.⁶ SMC is seeking nothing more here than the ability to establish class rates responsive to the nationwide operations of its member motor carriers.

NITL's concerns are also misplaced. First, many of NITL's shipper members are associate members of SMC and licensees of CzarLite. In fact, a number have submitted statements in support of SMC's application. Moreover, eight member motor carriers of SMC are carrier members of NITL and also have submitted statements supporting SMC's application. One must question for whom within its organization NITL opposes the granting of nationwide ratemaking authority to SMC, or to any other motor carrier organization seeking that authority.

Second, how would NITL be harmed if SMC, with its demonstrated ratemaking expertise with the Carrier Cost Index and National traffic Database, could construct a nationwide baseline of class rates? Because of its open meetings, NITL members can participate in the process and have the underlying data available, and make its views known in conjunction with any general rate proposal—an opportunity not available from some other rate bureaus. Importantly, any collective rate action taken by SMC would be subject to the rate reasonableness standard applicable under 49 U.S.C. § 13701(a).

If NITL's point is that SMC might be the only surviving motor carrier ratemaking association, that contention is without merit. Pacific Inland Tariff Bureau, Inc. (PIN) has more member motor carriers than SMC, and Middlewest Motor Freight Bureau, Inc. (MWB) has about the same number. Both have filed nationwide ratemaking applications with the STB, and SMC has not and will not oppose their applications or that of any other organization seeking that authorization. SMC has stated that it has no desire to impair or take over the operations of any other motor carrier ratemaking organization. In fact, PIN is on record supporting SMC's application in this reopened proceeding. As PIN acknowledges, carrier membership differs from organization to organization, and

⁶ See, e.g., National Assn. Specialized Cars, Inc.—Agreement, 355 I.C.C. 154, 159-60 (1977).

different costs and revenue requirements exist for the individual carrier bases. Recognizing the differing needs of their membership, PIN does not oppose SMC's application. Additionally, PIN points out that SMC has freely made its products and services available to PIN and its member carriers.

For many years there has been an overlapping in the ratemaking territories of the rate bureaus. For example, PIN and RMB can both engage in collective ratemaking in the same 12 Western States. MWB also publishes rates between points in Colorado, New Mexico, Texas and Wyoming which are within the ratemaking territories of PIN and MWB. Similarly, EC-MAC and MWB both establish rates between various zip codes in New York and West Virginia and points in Arkansas, Iowa, Kansas, Louisiana, the Upper Peninsula of Michigan, Minnesota, Missouri, North Dakota, Nebraska, New Mexico, Oklahoma, South Dakota, Texas and Wisconsin.⁷ Other such examples exist. Yet, these rate bureaus have coexisted for years, and there has been no displacement among those organizations because they serve the pricing needs of their distinct carrier member groups. SMC's motivation is simply that; namely, having the ability to serve the present pricing needs of its distinct member carriers which provide nationwide transportation services to its shipper customers. There long has been the presence of a number of different motor carrier ratemaking associations within the antiquated regional network of collective ratemaking territories. That has not been an issue in the past, and there has been no showing why SMC, an already existing organization, would alter long-standing carrier participation in those other motor carrier associations. Certainly, SMC's serving the pricing needs of its carrier members by establishing a baseline of class rates responsive to its members' labor and non-labor costs and revenue needs cannot be deemed anticompetitive.

The key inquiry here is whether granting SMC, or any other motor carrier association, nationwide ratemaking authority is in the public interest. SMC believes that inquiry has already been answered in the affirmative, and without qualification. The original and overwhelming support from the transportation community evidenced the confidence that SMC could undertake the task of establishing a fair and reasonable baseline of class rates reflecting the actual costs and revenue needs of its member carriers. The STB itself indicated its intent to grant the filed nationwide ratemaking applications upon approval of the then pending Section 5a Agreements. Although the agency at first conditioned any contemplated grant of nationwide ratemaking authority upon a rollback of the class rates to so-called market levels, that approach was abandoned in the STB's Decision served on November 20, 2001 in the consolidated rate bureau proceeding. The agency concluded that no suitable and readily available methodology existed to achieve that rollback, and that a broad class rate reduction would create serious disruptions for shippers and carriers in their rate negotiations and agreements. However, SMC did adopt in 1999 a minimum discount of 20% available to all shippers. SMC's automatic discount remains in effect even though the STB did not require its continuance as a condition of approval of SMC's Section 5a Agreement.

⁷ The extensive overlapping of motor carrier ratemaking organizations has long been recognized and approved. See, e.g., Steel Carriers' Tariff Assn., Inc.—Agreement, 335 I.C.C. 655, 658-9 (1968).

The only remaining condition was that approval of the nationwide application would await approval of the pending Section 5a Agreement. As indicated, SMC's Section 5a Agreement was given final approval in the STB's Decision served on October 16, 2003 in the consolidated proceeding.

With the repeal of the prohibition against the STB granting a nationwide ratemaking application, and limiting its jurisdiction to approving regional collective ratemaking authority, the matter is once more properly before this agency. One matter requires comment regarding the passage of the repeal of that prohibition. EC-MAC and RMB attempt to counter SMC's criticism of the manner in which the prohibition was passed by maintaining that SMC engaged in the same conduct in getting the prohibition removed. A material difference exists between the two pieces of legislation and the intent behind them. EC-MAC and RMB obtained legislative action which deprived the agency of jurisdiction it had possessed and exercised for six decades—all for the self-serving purpose of preventing SMC and other motor carrier organizations from obtaining nationwide ratemaking authority. SMC was instrumental in obtaining legislation which simply restored to the STB the authority to grant or not to grant nationwide ratemaking authority. It did not seek to get that authority by Congressional mandate or prevent any other organization from pursuing that authority. Rather, that determination, as has always been the case, was left to the agency charged with that regulation. EC-MAC and RMB cannot seriously contend that SMC engaged in the same self-serving stealth activities which they did in preventing the agency from acting on the pending ratemaking applications which the STB indicated would be granted.

The public interest will be served by granting SMC's nationwide collective ratemaking application. Plainly, the competitive pricing interests of SMC's carrier members will be advanced. They can establish a baseline of class rates reflective of their costs and revenue needs—something which does not occur under the antiquated regionalized rate bureau process. Moreover, SMC member motor carriers, some 51% of its current membership, have their principal place of business and operations outside the Southern Territory. The collective ratemaking activities which SMC could conduct will be more responsive to those members, and would enable SMC to establish a tailored and reasonable baseline of class rates in their chief operating areas.

The shipping public will be better served as well. CzarLite has become a significant pricing mechanism in shipper rate negotiations and contracts. By entrusting SMC with nationwide ratemaking authority, the shipping community will be assured that a competitive baseline of class rates will occur on a date certain, and shippers can better plan their transportation budgets. Before any general rate proposal takes effect, through the open meetings at SMC, and the information made available to participants at the public hearing, shippers will be able to fully understand the basis for the general rate action taken by the carrier members of the General Rate Committee. Thereafter, through the Carrier Cost Index White Paper any interested carrier and shipper will be apprised of the grounds for the general rate proposal. This openness benefits all parties, and will ensure, to the greatest extent possible, that the public is apprised of changes that will

occur in the baseline class rates. Further, the STB, in fulfillment of its charter responsibility to monitor collectively-made class rates, will be better able to assess the reasonableness of the SMC-established class rates through the public information which would accompany SMC's nationwide general rate changes. Neither the agency nor the public would have to be burdened with an evidentiary hearing or proceeding to develop that data.

The transportation community has once again spoken in support of SMC's application. The carrier support statements evidence that their transportation operations are nationwide, and that is true of even the smaller carriers. It is also pointed out that the patchwork of regionally established class rates, and differing effective dates of the general rate actions, do not reflect their costs and revenue needs and complicate their pricing strategies and negotiations. No sound reason exists for subjecting SMC's member motor carriers to the archaic and regional pricing restrictions created by the present territorial limitations and imposed on SMC's collective ratemaking activities.

Major shippers, Cass Information Systems, Inc., with some 1,500 manufacturing and distributing business clients, and transportation intermediaries having many shipper customers of all sizes, as well as the Pacific Inland Tariff Bureau, Inc., have voiced strong support for the granting of SMC's nationwide ratemaking application. The value of and confidence in the ratemaking services provided by SMC to the transportation sector is well demonstrated by carriers and shippers alike. There can be no doubt that enabling SMC to conduct nationwide collective ratemaking activities will be responsive to the transportation operations and pricing needs of its member carriers, and will provide the shipping public with a reasonable and competitive baseline of class rates to assess and negotiate carrier rates.

**II.
Statement
of
Jack E. Middleton
President and Chief Executive Officer**

Statement
Of
Jack E. Middleton

My name is Jack E. Middleton and I am the President and Chief Executive Officer of Southern Motor Carriers Rate Conference, Inc. (SMC). SMC's principal offices are located at 500 Westpark Drive, Peachtree City, Georgia 30269. I have been employed by SMC for approximately 36 years in various capacities, including Corporate Secretary, Assistant Treasurer, General Manager and Executive Vice President. In response to a directive from my Board of Directors, on December 19, 1996, in a proceeding designated as Section 5a Application No. 46 (Sub-No. 20), SMC requested, as pertinent, that its collective ratemaking authority be extended nationwide. The Surface Transportation Board indicated in a consolidated rate bureau proceeding, that those motor carrier associations seeking nationwide authority would have those applications granted upon renewal of their Section 5a Agreements. However, because of a then recently-enacted prohibition against the Surface Transportation Board's (STB) granting nationwide authority, that relief could not be granted. That stealth legislation, depriving the STB of the jurisdiction that the former Interstate Commerce Commission exercised for some six decades and which had been passed on to the STB, was reversed in February 2003, and that jurisdiction has been restored to the STB. Accordingly, because of that change in the law which barred final agency action on SMC's application, and the renewal of its Section 5a collective ratemaking authority in the STB's decision served on October 16, 2003 in EC-MAC Motor Carriers Service Association, Inc., Et Al., Section 5a Application No. 118 (Sub-No. 2), et al., SMC's Board directed that the STB be requested to reopen SMC's application for nationwide collective ratemaking authority. The Board has authorized me on behalf of SMC to submit this statement further supporting that application.

SMC reiterates the position it consistently has taken since the inception of this proceeding that SMC does not oppose the granting of nationwide collective ratemaking to any motor carrier association which requests that expanded authority. As relates to SMC, the granting of the authority to collectively establish class rates nationwide is necessary if this association is to meet the pricing needs of its member motor carriers and the transportation community served by this organization. Factors which gave rise to the regional system of rate bureaus in the past do not have application today to SMC and the pricing needs of the transportation community it serves. For example, in the STB's decision in STB Section 5a Application No. 118 (Sub-No. 2), et al., EC-MAC Motor Carriers Service Association, Inc., Et Al., served November 20, 2001, the agency noted that:

In most cases, the companies that comprise a rate bureau are domiciled in a particular region of the country (regional rate bureaus), and in a few instances, they are trucking companies that haul a particular type of goods (e.g. machinery haulers). (Decision, at page 2.)

That is no longer accurate with respect to SMC's membership.

As shown by Attachment 1 to this statement, today SMC has 125 motor carrier members. Of these, 68 carriers, or about 54.4 percent of its membership, are located outside of the region identified as the so-called Southern Territory.¹ Those members are domiciled in 21 states outside of that region.² Because of the present regional confines of SMC's collective ratemaking authority, the pricing needs of those carriers, as well as SMC's member carriers within that ratemaking region operating nationwide, can only participate in the establishment of class rates radially from, to, and between points in Southern Territory. Therefore, even though SMC's member motor carriers, small and large, now conduct operations nationwide in direct or joint-line service, under the restraint of the regional concept of collective ratemaking, they cannot establish class rates for pricing purposes through SMC from, to and between service points located beyond the limitations of Southern Territory. Today, those carriers in constructing a nationwide basis of class rates upon which their pricing systems are designed, as a practical matter, must adopt the class rates established by other carriers in other regions.³

The economies and efficiencies of SMC's member motor carriers are well reflected in the class rate scales they have established in Southern Territory. To demonstrate the relationship of SMC's class rates to those of major, non-SMC member, less-than-truckload (LTL) carriers operating in Southern Territory, I requested that James E. Ridley, SMC's Senior Data Technician, prepare a marketplace rate comparison. The results of that survey are set forth in Mr. Ridley's statement submitted as part of SMC's opening presentation.

As shown, Mr. Ridley made 840 market comparisons involving 6,720 class rates of the SMC member carriers with seven, non-member LTL carriers holding themselves out to conduct business in SMC's ratemaking territories. Of the 6,720 compared class rates, 4,495 or 67 percent, of the individual, non-member carrier class rates are higher, with 1,908 of those rates exceeding the SMC class rates by 20 percent or higher. The overall range of those rate differences was from .01 percent up to a high of 97.6 percent. In the 17 percent of the instances where the SMC class rates are higher, the overall range ran from a low of .01 percent to 18.3 percent, with an overall average of 4.3 percent above the non-member compared rates. The overall average of the higher non-member class rates is 18.2 percent. (Ridley Statement, p. 3.)

¹ Southern Territory, as defined in SMC's Section 5a Agreement, consists of the States of Alabama, Florida, Georgia, Kentucky, Louisiana (east of the Mississippi River), Mississippi, North Carolina, South Carolina, Tennessee, the southern portion of Virginia, and a small part of West Virginia.

² These member carriers are located in Arkansas, California, Connecticut, Indiana, Illinois, Iowa, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, Texas, and Wisconsin.

³ In my opinion, what is sometimes viewed as irrational discounting by carriers in the marketplace, e.g. a 90 percent discount, is, in fact, a pricing adjustment by a motor carrier operating in a region utilizing the class rate structure of other carriers. The seemingly large discount is necessary to bring that rate into line with the carrier's own costs and revenue needs, and for competitive reasons.

I believe that by authorizing SMC to establish class rates nationwide our member carriers will be better able to meet their competitive pricing needs by establishing a scale of class rates reflective of their own costs and revenue needs experienced in conducting operations throughout the nation.

A substantial segment of the transportation community has already expressed in this proceeding their support of SMC's request for nationwide ratemaking authority. As the record demonstrates, 191 statements were submitted from shippers, small and large, shipper organizations, transportation intermediaries and others supporting SMC's December 19, 1996 Application seeking nationwide expansion of its ratemaking authority. In addition 116 statements were submitted by small, medium-sized and large carriers attesting to their need for a nationwide baseline of class rates established in serving their customers pricing needs. A list of that vast array of companies is identified in Attachment 2 to this statement.

The wisdom and necessity of expanding the regional authority of the motor carrier ratemaking associations which applied therefor, was acknowledged by the Surface Transportation Board, which, as pertinent, concluded that:

[W]e recognize the increasingly globalized nature of the transportation system and the anachronistic nature of restrictions limiting bureaus to geographic territories.

* * *

Absent a clear expression from Congress to the contrary, we intend to allow bureaus whose agreements are approved after December 31, 1999, to lift the territorial restrictions on the scope of their agreements.⁴

The granting of nationwide collective ratemaking authority was not a unique concept regarding the territorial scope of so-called Section 5a Agreements. In recognition of the needs of the member motor carriers of various motor carrier associations, the former Interstate Commerce Commission granted that authority to household goods carriers, machinery haulers, bulk haulers, etc. Thus, in my view, the STB's proposed action in granting the nationwide requests was in keeping with the regulatory response and authority of the agency to enable motor carriers to meet their pricing needs in a "globalized" transportation network, and to free them from the artificial restraints of the "anachronistic" nature of the existing geographic limitations.

However, as the STB indicated in a subsequent Decision served on February 11, 2000, in the consolidated rate bureau proceeding, because of a provision in Section 227 of the Motor Carrier Safety Improvement Act of 1999, the agency was prohibited from

⁴ Section 5a Application No. 118 (Amendment No. 1), *et al.*, EC-MAC Motor Carriers Service Association, Inc., Et Al., Decision served December 18, 1998, at pp. 9-10.

authorizing regional rate bureaus to operate on a nationwide rather than a limited territorial basis. (2000 STB Decision, pp. 4-5 and fn. 9.) Therefore, because of that “stealth legislation,” believed to have been initiated by a couple of the rate bureaus opposed to the expansion of the territories served by those regional motor carrier associations, the STB could not then carry forward its recommended granting of the pending applications for nationwide ratemaking authority. That restriction of the STB’s jurisdiction has been rescinded. In Section 354 of the Omnibus Appropriations Act FY 2003,⁵ subsection (d) of section 13703 of 49 U.S.C. which prohibited the STB from taking any action granting nationwide collective ratemaking authority, was stricken. Congress thus restored to the STB the authority it and the predecessor ICC possessed for over six decades to grant nationwide collective ratemaking authority as it deemed appropriate and in the public interest.

There are many reasons why SMC requests that its application for nationwide expansion of its ratemaking authority be granted. All carriers, and particularly small carriers, are confronted by a plethora of rate bases utilized by competitors, as well as by carriers with which they have interline arrangements, and by shippers and their representatives. In terms of competitors’ rates, not only do carriers confront a monumental task in tracking those rates, but also their competitive rate offers can be impaired by the inability of shippers to truly measure their pricing because quoted discounts are not predicated on the same baseline of class rates. Even as to interline partners, the carriers party to the arrangement often cannot provide a uniform discount to customers because of the different class rate bases applicable over different portions of the movement. Many of the same type complications are presented to shippers and their representatives in securing rate quotes and assessing their competitiveness, and in tracking rate bases. In a similar fashion many shippers and their intermediaries utilize different baselines from various sources to obtain bids, and the carriers, particularly small carriers, encounter great difficulties in keeping track of those multiple pricing mechanisms.

While the foregoing situations challenge even some large carriers and shippers, they are particularly vexing for the smaller carriers and shippers. This situation has contributed, in part, to the increasing success of CzarLite in the marketplace.

The accompanying statement of Danny B. Slaton, SMC’s Vice President, Sales & Marketing, details the tremendous growth in and reliance of the transportation community on CzarLite in meeting their pricing needs. Whereas in the mid-1990s there were over 120,000 individual users of CzarLite, technological advances since that time has expanded exponentially, to the point it is impossible to measure the hundreds of thousands of users of that pricing mechanism. Importantly, though, it is clear that through the on-line services of shipper representatives and intermediaries, the pricing benefits of the CzarLite class rate baseline is extended to small shippers as well. In fact, as pointed out by Mr. Slaton, such organizations as FreighQuote, GTS Shipping, myFreightWorld.com, and numerous other companies aggregate the purchasing power of

⁵ See Pub. L. No. 108-7, 117 Stat. 11 (H.J. Res. 2)(Feb. 20, 2003).

small shippers into powerful negotiating bodies and utilize CzarLite rate base pricing. (Slaton Statement, pp. 1-3.)

As demonstrated by Daniel M. Acker, SMC's Vice President of Operations, SMC is uniquely qualified to assist its member carriers in establishing an accurate and responsive baseline of class rates for its member motor carriers. Through the development of its Carrier Cost Index SMC has evolved a methodology to develop a reliable indicator of the labor and non-labor costs of its member carriers and their resulting revenue needs. This data enables the carriers to formulate general rate changes truly reflective of those expenses and to meet revenue requirements. (Acker Statement, pp. 2-5.) In addition, SMC, in conjunction with its members general rate increase proposals since the year 2000, publishes and distributes a White Paper explaining the economic basis underpinning that general rate change approximately a month prior to its effective date. Some 4,000 copies of that information are distributed to the STB, shippers, shipper associations, transportation intermediaries, carriers, and others. A copy of the July 2003 White Paper which preceded and explained the August 2003 general rate increase is appended as Attachment 3.

There are a number of critical reasons why SMC, and any other motor carrier association seeking nationwide ratemaking authority, should have that request approved. The importance, demand and necessity for an accurate and reliable baseline of class rates for pricing purposes requires little exposition given the widescale acceptance of that baseline mechanism in the marketplace. However, there are an increasing body of factors which evidence the need for a departure from the regionalized patchwork of class rates into a baseline constructed and tailored for the involved participating motor carriers.

Additionally, a number of motor carrier organizations already possess nationwide ratemaking authority. In fact, Rocky Mountain Motor Tariff Bureau, Inc., although a regional bureau, is the only organization authorized to collectively establish divisions nationwide. The household good industry, the steel haulers, the machinery transporters, and the bulk haulers all have long possessed nationwide ratemaking authority to serve their motor carrier members ratemaking needs. Why should SMC, or any of the other bureaus with pending nationwide collective ratemaking applications, be deprived of the ability to meet the expanded ratemaking needs of their member carriers?

Further, SMC has a growing and valid concern regarding the continuity of CzarLite given the weakened position of several of the present regional rate bureaus. For well over two years, The New England Motor Rate Bureau, Inc., one of the original rate bureau opponents of the granting of any nationwide ratemaking applications, has been out of business. It is no secret in the industry that even in the absence of the "feared" competitive consequence of granting nationwide ratemaking authority to those applying for it, several of the other rate bureau opponents have continued to experience a steep decline in carrier members and bureau personnel. Hence, the natural decline or exit of those organizations places SMC's member motor carriers, as well as those carrier members of other motor carrier associations, at risk. A potential void is created in the

baseline of class rates should those organizations ultimately discontinue their collective ratemaking functions, as has occurred with New England.

As was noted in the agency's Decision served October 16, 2003 in the consolidated rate bureau proceeding, in addition to New England, two other bureaus, Motor Carriers Tariff Association, Inc. and the Willamette Tariff Bureau, Inc., were required to show cause why their renewal applications should not be dismissed. Because of the failure of those organizations to comply with that order their Section 5a Agreements expired on November 20, 2003.

Another consequence of forcing the reliance of SMC³, and other motor carrier associations, on regional bureau class rates is the unresponsiveness and unreliability of such rates to the economic needs of SMC's member motor carriers. As Mr. Acker points out, long recognized differentials exist in the costs associated in operating in the various regions of the country. Those different cost factors create distinct revenue needs in the identified ratemaking territories. Regional general rate increases may well be understated or overstated when compared to the revenue needs of SMC's member carriers. (Acker Statement, p. 9.) Equally disturbing is the fact that a number of the general rate increases established by some of the other rate bureaus are taken without providing the public or SMC with any fact-based explanation for those actions, nor is any explanation provided as to how the actual amount of the increase was determined. Nor is it apparent which carriers participate in their General Rate Committees, which carriers provided data on their expenses and how that data was updated, or whether the shipping public was given an opportunity to participate in the process (Acker Statement, p. 9). Neither SMC's member carriers, nor those of any other motor carrier association wishing to establish their own nationwide baseline of class rates, should be required to accept those pricing decisions.

SMC is well qualified and able to assist its member carriers in constructing a rational and reasonable baseline of class rates. The Carrier Cost Index, coupled with its National Traffic Database, enable SMC to identify the costs and revenue needs of its member carriers on a national level. Thus, its member carriers can tailor their class rate baseline to reflect their competitive needs, and not be subject to any unrelated class rate levels. I believe the public interest is better served with the establishment of a tailored member carrier class rate baseline which is accurate and responsive to the true expenses of the participating carriers.

A serious, potential problem has surfaced with the different timing of the general rate actions recently taken by the various rate bureaus in their respective regions. In the past, the rate bureaus generally had a similar effective date for their general rate actions, namely August 1. Therefore, CzarLite could be adjusted to reflect all those changes at one time, and the updated software distributed to shippers and carriers with the confidence that the baseline would accurately reflect all the modifications which occurred nationwide. Thus, the parties to the transportation arrangement, whether by contract or by other price negotiation, would know and could easily identify the applicable rate. Now, however, because of differing costs and revenue needs of the carrier members in

the different bureaus, the timing of the various general rate actions have changed. In the last round of general rate modifications the various changes became effective from July 1 to August 4. Accordingly, modifications to CzarLite had to await final action by the last of the rate bureaus to implement those general rate actions.

Because of increased carrier expenses overall, and specifically due to considerable increases in the costs of insurance premiums, security measures and fuel, carrier response to those revenue shortfalls cannot await action by other carriers in other regions. It is anticipated by SMC that the trend for earlier and differing effective dates will widen, and that substantial problems will be encountered in reissuing CzarLite, and for the motor carriers to recover their immediate revenue needs. As the gap in the effective dates increases, CzarLite, to meet the needs of SMC's member motor carriers, will either have to be issued, and then reissued as the other bureau rate actions occur, or be delayed until the final rate action is effective. Neither course is advisable for economical and practical reasons, and would only add needless confusion to the transportation community's rate negotiations. That result could be avoided if SMC's member carriers could establish their baseline of class rates nationwide, and have CzarLite reflect their revenue needs.

The same benefit would flow to any other bureau which could establish its own class rate baseline in competition with CzarLite. For example, Middlewest Motor Freight Bureau, Inc.'s competitive rating system, MARS, could be revised at anytime to more accurately reflect its member carriers' costs and revenue needs, and not await actions by other bureaus. As I have reiterated throughout this proceeding, SMC has no objection to and does not oppose the application of any other motor carrier association for nationwide collective ratemaking authority.

Another important fact revealed by the differing effective dates is that the economic and pricing needs of the carrier groups in the different rate bureaus are not the same. This is an important point because the present anachronistic concept of regional bureaus forces carriers, and shippers utilizing a class rate baseline for rate negotiations or bid evaluations, to reference a pricing mechanism not tailored to those carriers. If granted nationwide authority, SMC's member motor carriers would be able to apply their competitive baseline of class rates in all the markets they serve, and not solely in the Southern Territory.

Much concern was expressed by a few of the rate bureaus about the competitive consequences for them should nationwide authority be granted. First, as indicated, even in the absence of that competition the demise and/or decline of several bureaus has occurred. Apparently, their concerns were misplaced, and the root causes of their problems have little or nothing to do with competition. Second, many of the motor carrier associations already have long existed with multiple ratemaking bodies in the same region. For instance, Pacific Inland Tariff Bureau, Inc. (PIN) is authorized to engage in collective ratemaking between the 11 Western States, including Texas. Hence, PIN's ratemaking authority covers Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington and Wyoming. That same

territory is within the ratemaking authority of Rocky Mountain Motor Tariff Bureau, Inc. Also, Middlewest Motor Freight Bureau, Inc. publishes rates between points in Colorado, New Mexico, Texas and Wyoming. Thus, in all or a portion of that expansive region there are, and long have been, two to three competing motor carrier ratemaking organizations. Overlapping also exists between other rate bureau territories as well. It is difficult to perceive how the ability of SMC to establish class rates in that territory on behalf of its member carriers would pose a threat to the ratemaking activities of those other bureaus serving the distinct needs of their member carriers in the same territories.

The shipping community has strongly endorsed the request of SMC for nationwide ratemaking authority. A good indicator of that support is found in the statement from Robert V. Delaney, Vice President, Cass Information Systems, Inc. That company represents some 1,500 manufacturing and distributing business clients, and relies on SMC's CzarLite family of products in the authorization of nearly 22 million transportation freight bills with an annual value of 8 billion dollars. Mr. Delaney believed that permitting SMC to tailor the pricing mechanism of its member carriers nationwide will enable those carriers to offer more competitive rates and to benefit shippers.

Moreover, in addition to Cass Information Systems, Inc., as indicated by Mr. Slaton, CzarLite has been licensed to over 1,000 shippers, including over one-third of the Fortune 500 companies, and to organizations which represent the transportation of hundreds of small, occasional LTL shippers requiring motor carrier transportation services. (Slaton Statement, pp. 2-3.) SMC also provides software, educational and information services to more than 900 shippers and their representatives. Through these channels SMC is uniquely able to keep in contact with the shipper community and to be aware of the service needs of the entire transportation community.

As indicated, SMC has 125 motor carrier members. Based on available information, the Pacific Inland Tariff Bureau, Inc. (PIN) has about 161 motor carrier members, and Middlewest Motor Freight Bureau, Inc. (MWB) has some 126 motor carrier members. The two rate bureaus which have opposed the granting of SMC's nationwide ratemaking application, namely EC-MAC Motor Carriers Service Association, Inc. (EC-MAC) and Rocky Mountain Motor Tariff Bureau, Inc. (RMB) appear to have 112 and 95 member motor carriers, respectively. Thus, SMC certainly is not substantially different than the other motor carrier associations in terms of the number of member carriers.

Concerns raised by those organizations opposing SMC's application on the grounds that SMC would become a super bureau or monopolize collective ratemaking are without any factual foundation. SMC is seeking nationwide collective ratemaking authority to meet the demonstrated ratemaking needs of its member motor carriers. Those organizations do provide their transportation services nationwide and are only requesting that authority necessary to meet their pricing needs. The household goods haulers, bulk carriers, steel haulers and machinery carriers have long held such comprehensive ratemaking authority to meet their service and pricing needs. SMC's

member motor carriers, through lessened regulation, are in the same position as the members of those other motor carrier organizations engaged in providing nationwide transportation services, but SMC's members cannot collectively establish their own baseline of class rates for pricing purposes.

The opposition of EC-MAC and RMB that SMC, if enabled to establish rates in "their" territories, could put them out of business is specious. Under the present authorizations of motor carrier organizations, EC-MAC and RMB have a virtual stranglehold on the collective ratemaking activities in their territories. Motor carriers, not members of those rate bureaus, are saddled with the class rate structures established by those organizations. Neither EC-MAC nor RMB have revealed on this record who their member motor carriers are, or what methodology is used and data is collected from their members in justification of their general rate increases.

If, as has been suggested, EC-MAC's and RMB's members are small regional carriers, one must question the representativeness of whatever information may be collected from them in reflecting the industry average costs of the carriers actually operating in those territories. Certainly, the operating costs and revenue needs of the SMC carriers operating in those territories are not considered, even though they are confronted by such class rates in pricing strategies from and with their shippers.

If EC-MAC and RMB are satisfying the pricing needs of their members they should not be concerned about the presence of any other ratemaking organization in the same areas. As SMC has stated on the record, it does not and has not opposed any other motor carrier association seeking collective ratemaking in the so-called Southern territories. The sole reason SMC is pursuing this application is to enable it to serve the expanded pricing needs of its member motor carriers. EC-MAC's and RMB's concerns are misplaced. The real issue is whether those rate bureaus are adequately serving their members' needs, and not that SMC is requesting the ratemaking authority necessary to meet its members expanded transportation services. In 1998, the STB clearly "recognized the increasingly globalized nature of the transportation system and the anachronistic nature of restrictions limiting bureaus to geographic territories." (STB 1998 Decision, pp. 9-10) That conclusion is even more valid today.

Most interesting is EC-MAC's and RMB's suggestion that what SMC achieved in restoring legislatively to the STB its authority to consider nationwide ratemaking applications is as underhanded as their stealth legislation, now reversed, blocking the authority of the STB to do so. What SMC sought from Congress was entirely different from that self-serving prohibition which EC-MAC and RMB obtained. EC-MAC and RMB, given the STB's announcement of its intent to grant nationwide authority, were successful in getting legislation enacted which prohibited the STB from granting nationwide ratemaking application—notwithstanding the fact that the agency had been entrusted by Congress with that authority and had exercised it for a period of almost 60 years. SMC did not seek a legislative enactment in which Congress would have required the STB to grant nationwide ratemaking authority. Rather, it was successful in simply restoring to the agency the authority to consider such applications and granting them if

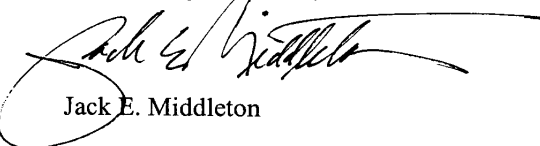
shown to be in the public interest. The two legislative efforts bear no relationship in intent to each other.

While SMC recognizes that there are a few institutional objections to antitrust immunity for collective ratemaking activities by motor carriers, it is particularly disappointed by the opposition of the National Industrial Transportation League (NITL). In the original proceedings, SMC, as noted, submitted statements from 191 shippers, transportation intermediaries, and a shipper organization supporting SMC's request to establish, on their own, a nationwide baseline of class rates. As Danny B. Slaton, SMC's Vice President, Sales & Marketing, indicates in his statement, at least 80 of NITL's shipper members have adopted the CzarLite baseline of class rates as their pricing mechanism, and other NITL shipper members were instrumental in the development of CzarLite. Also, a number of NITL's leading member motor carriers, who are also SMC carrier members, fully support this application. Plainly, NITL does not speak with one voice in its opposition.

SMC's continuation of its efforts to secure nationwide collective ratemaking authority is grounded upon its belief that the transportation community, carriers and shippers alike, will benefit from the responsive baseline pricing mechanism that SMC is capable of providing because of its Carrier Cost Index and its National Traffic Database. The current regionalized system of collective ratemaking is antiquated and unresponsive to SMC's carrier members which operate nationwide. By the same token, the entire transportation community is bound by an antiquated system inadequate in today's expanded shipping markets to meet their pricing needs. To the extent that the regional system serves the needs of carriers which continue to operate in those defined territories so be it. But such limitation does not justify denying SMC, or any other motor carrier association, from serving the pricing needs of its carrier members conducting nationwide operations.

So too, the shipper community has spoken out on this issue. Large, medium and small shippers have benefited from SMC's pricing baseline, and have been able to more fully take advantage of the competitive pricing opportunities Congress designed in the various legislative enactments which have changed the face of trucking over the past two decades. That pricing mechanism can be vastly improved for SMC's carrier members, as well as the shipping public, if its construction is placed in the control and direction of SMC's member carriers, especially given the potential voids and/or unsuitable rate actions which may be taken by other carriers in other regions. Therefore, it is requested that the Surface Transportation Board remove the territorial restrictions currently limiting the ratemaking activities of its member motor carriers to less than the full scope of the operations they conduct.

Respectfully submitted,



Jack E. Middleton

SMC MEMBERS
April 6, 2004

AAA Cooper Transportation
Dothan, AL

AAA Cooper Transportation
Dothan, AL

Aberdeen Express
Aberdeen, OH

American West Worldwide Express
Cambria, CA

Atlantic City-Phila Express
Egg Harbor Township, NJ

Averitt Express, Inc.
Cookeville, TN

Benton Express, Inc.
Atlanta, GA

Bob Aikins Lines, Inc.
Lawrenceburg, IN

Brown Transfer Co A Corp
Kearney, NE

Bryan Truck Line, Inc.
Montpelier, OH

Bullet Freight Systems, Inc.
Anaheim, CA

Caldwell Freight Lines, Inc.
Lenoir, NC

Cargo Consolidation Services
Claremont, NC

CBC Express
Lawrence, KS

Central Freight Lines, Inc.
Waco, TX

Chapin Logistics, Inc,
Elyria, OH

Chase Transportation, Inc.
Asheville, NC

Christy Trucking Company, Inc.
Mocksville, NC

Circle Delivery Service, Inc.
Nashville, TN

Colonial Freight, Inc.
Saint Louis, MO

Combined Express, Inc.
Bensalem, PA

Cranston Trucking Company
West Greenwich, RI

Cross City Express
Hayward, CA

CXI Trucking
Melrose Park, IL

Dawes Transport, Inc.
Milwaukee, WI

Dohrn Transfer Company
Rock Island, IL

Double D Express Inc.
Peru, IL

Elfrink Transportation, Inc.
Cape Girardeau, MO

Estes Express Lines
Richmond, VA

Fairway Canadian Express, Inc.
Rexdale, ON

FFE Transportation Services, Inc.
Dallas, TX

Fort Transportation & Service Co, Inc.
Fort Atkinson, WI

Four Truckers, Inc.
Morganton, NC

Frame's Motor Freight, Inc.
West Chester, PA

Franklin Express, Incorporated
Franklin, KY

Frontline Carrier Systems, Inc.
Santa Fe Springs, CA

G.I. Trucking Company
La Mirada, CA

Gaines Motor Lines Inc.
Hickory, NC

Gay Truck Line, Inc.
Falkner, MS

Georgia Freightways Corporation
Savannah, GA

Goggin Warehousing LLC
Shelbyville, TN

Graham Ship By Truck Company
Kansas City, KS

H & O Transport, Inc.
Campbellsville, KY

H & W Trucking Company, Inc.
Mount Airy, NC

H B Russell Truck Service, Inc.
Red Bud, IL

Hanson Transfer Inc
Fremont, NE

Harper Transport, Inc.
Conyers, GA

Hatcher Trucking Company, Inc.
Roanoke, VA

Hazard Express, Inc.
Louisville, KY

Hilton-Spencerport Express, Inc.
Kendall, NY

HOC Industries, Inc.
Wichita, KS

HOT Services, Inc.
City of Industry, CA

HTG Rimes Logistic Services, Inc.
Chardon, OH

Intercept d/b/a R.C.F, Inc.
Bluffton, SC

J. P. Express Service, Inc.
Hauppauge, NY

Jahn Transfer, Inc.
La Crosse, WI

**James D. Wilcox
Johnson City, TN**

**K & K Trucking, Inc.
Carthage, TN**

**K Truck Lines Inc
Ord, NE**

**Koschkee Transfer Inc
Fennimore, WI**

**Lakeville Motor Express
Saint Paul, MN**

**Lange Truck Line
Pleasanton, TX**

**Lewis Truck Lines Inc
Fargo, ND**

**Majors Transit, Inc.
Caneyville, KY**

**Merchants Freight Line, Inc.
Nashville, TN**

**MGM Transport Corp.
High Point, NC**

**Midland Transport Limited
Dieppe, NB**

**Milan Express Co., Inc.
Milan, TN**

**Millennium Freightways, Inc.
Tinley Park, IL**

**Morgan Southern, Inc.
Atlanta, GA**

**Morrell Transfer, Inc.
Elk River, MN**

**Mt. Pleasant Transfer, Inc.
Mt Pleasant, TN**

**Nebraska Transport Co., Inc.
Scottsbluff, NE**

**NEMA, Inc.
Duluth, GA**

**New England Motor Freight, Inc.
Elizabeth, NJ**

**New Penn Motor Express, Inc.
Lebanon, PA**

**Newton Transportation Company, Inc.
Hudson, NC**

**Norrenberns Truck Service
Nashville, IL**

**Old Dominion Freight Line, Inc.
Thomasville, NC**

**Overnite Transportation Company
Richmond, VA**

**Palmer Transport Corp.
Chino, CA**

**Palmetto State Transportation Co., Inc.
Greenville, SC**

**Panama Transfer Inc
Panama, IA**

**Peet Frate Line, Inc.
Woodstock, IL**

**PJAX, Inc.
Gibsonia, PA**

**Plant Truck Line, Inc.
Heber Springs, AR**

Radford Trans
Norwood, MA

Rapid Freightways
Santa Fe Springs, CA

Roadrunner Freight Systems Inc.
Cudahy, WI

Roadtex Corp.
Hillside, NJ

Rogers Dedicated Services, Inc.
Atlanta, GA

Root River Valley Transfer
La Crosse, WI

Saia Motor Freight Line, Inc.
Duluth, GA

Shippers Express, Inc.
Jackson, MS

Skyline Transportation, Inc.
Knoxville, TN

Smith And Waters, Inc.
Ware Shoals, SC

South Atlantic Bonded Warehouse Corp.
Greensboro, NC

Southeastern Freight Lines, Inc.
Columbia, SC

Southwestern Motor Transport, Inc.
San Antonio, TX

Standard Forwarding Co., Inc.
Moline, IL

Standard Transportation Services
Joplin, MO

SunBelt Furniture Xpress, Inc.
Hickory, NC

Sunrunner Transport Services, Inc.
North Haven, CT

Super Transport, Inc.
Boca Raton, FL

Superior Express, Inc.
Waterloo, IL

Tax Airfreight, Inc.
Milwaukee, WI

Tennessee Express, Inc.
Nashville, TN

Tennessee Trucking Express, Inc.
Nashville, TN

Terminal Trucking Company, Inc.
Concord, NC

Texas Louisiana Cartage, Inc.
Jefferson, LA

Towne Air Freight
South Bend, IN

Tri-State Express, Inc.
Huntington, WV

Truck Air Of The Carolinas, Inc.
Greer, SC

Tulane Truck Service
Birmingham, AL

UP Special Delivery, Inc.
Iron Mountain, MI

USF Red Star Express Lines
Auburn, NY

Volunteer Express, Inc.
Nashville, TN

W. M. Burnett Truck Line, Inc.
Haleyville, AL

Ward Trucking Corp.
Altoona, PA

Warren Trucking Company, Inc.
Martinsville, VA

Watkins and Sheperd Trucking, Inc.
Missoula, MT

Watkins Motor Lines, Inc.
Lakeland, FL

Wichita-Southeast Kansas Transit Inc.
Parsons, KS

Wicker Services, Inc.
Burlington, NC

Wilson Trucking Corporation
Fishersville, VA

**Alphabetical Index of Supporting Shippers,
Transportation Intermediaries and Carriers
(Compiled list from previous filings in 1996 - 1997)
307 Total**

<u>Company</u>	<u>City, State</u>
A Schulman, Inc.	Akron, OH
AAA Cooper Transportation	Dothan, AL
Aarow Moving & Storage, Inc.	Augusta, ME
Aberdeen Express	Aberdeen, OH
AC Humko	Memphis, TN
Acctronix Corporation	Lenexa, KS
Admiral Express, Inc.	Bensenville, IL
AFS Logistics, Inc.	Shreveport, LA
Ahold Inbound Logistics	Mauldin, SC
Air Fresh Trucking, Inc.	Bensenville, IL
Akwick System, Inc.	Paterson, NJ
Alberto-Culver USA, Inc.	Melrose Park, IL
Alcan Cable	Atlanta, GA
Alliance Traffic Group, Inc.	Fair Oaks, CA
Allstates Trucking, Inc.	Oak Creek, WI
ALP Lighting and Ceiling Products, Inc.	Atlanta, GA
Alterman Transport Lines, Inc.	Opa-Locka, FL
American Insulated Wire Corp.	South Attleboro, MA
American National Can Company	Chicago, IL
American Standard, Inc.	Piscataway, NJ
Amerlog	Atlanta, GA
Analysis, Inc.	Worth, IL
Anderson Shipping Company	N. Charleston, SC
Anniston Motor Express, Inc.	Cleveland, TN
ANR Advance Transportation Company	Milwaukee, WI
Apex Paper Box	Cleveland, OH
Armstrong & Associates, Inc.	Stoughton, WI
ASAM International	Dublin, CA
ASW Distribution	Atlanta, GA
Atlanta Motor Lines	Conley, GA
Atlanta Regional Distribution Center, Inc.	Stone Mountain, GA

Company**City, State**

Atlas Traffic Consultants Corp.	Flushing, NY
Averitt Express, Inc.	Cookeville, TN
B & H Freight Line, Inc.	Harrisonville, MO
Becton Dickinson and Company	Franklin Lakes, NJ
Benton Express	Atlanta, GA
BF Goodrich Aerospace	Troy, OH
Blackman Uhler Chemical Company	Spartanburg, SC
BOXit Corporation	Cleveland, OH
Brandt Truck Lines, Inc.	Bloomington, IL
Bricker & Melton, PA	Duluth, GA
Builders Transportation Company	Birmingham, AL
Burgess Transport, Inc.	Charlotte, NC
Burren Transfer Company	Elgin, IL
C.H. Clearings, Inc.	Vinton, VA
California Western Freight	Burr Ridge, IL
Cargo, Inc.	Chicago, IL
Carolina Brokers and Audit Co.	Charlotte, NC
Carolina Refrigerated Transport, Inc.	Gaffney, SC
Cass Information Systems	St. Louis, MO
Ceco Corp.	Milan, TN
Champion International Corporation	Hamilton, OH
Chattanooga Freight Bureau, Inc.	Chattanooga, TN
Circle Delivery Service, Inc.	Nashville, TN
Clark Bros Transfer, Inc.	Norfolk, NE
Cleveland Express, Inc.	Cleveland, TN
CMI Industries, Inc.	Elkin, NC
Coats America	Old Fort, NC
Colonial Freight Systems, Inc.	Knoxville, TN
Commercial Traffic Company	Parma, OH
Complete Transportation Services	Mansfield, OH
Computer Ventures, Inc.	Charlotte, NC
Cone Mills Corp.	Greensboro, NC
Contech Construction Products, Inc.	Conyers, GA
Continental General Tire, Inc.	Charlotte, NC
Conwood Company	Memphis, TN
Cooper Tire & Rubber Company	Findlay, OH

Company**City, State**

Cooper Tires	Findlay, OH
Corporate Logistics Services	Jasper, IN
Cotter and Company	Harvard, IL
Courier Systems, Inc.	Bayonne, NJ
Courtaulds Coatings, Inc.	Louisville, KY
Cox Transportation Services, Inc.	Ashland, VA
Creative Systems Corp.	Bur Ridge, IL
Crompton and Knowles Colors, Inc.	Birdsboro, PA
D & B Logistics, Inc.	Hanover, MA
Dan River, Inc.	Danville, VA
Dart Container Corp.	Mason, MI
Davidson & Jordan Assoc., PC	Corinth, MS
Davis Cartage Company	Corunna, MI
Dawes Transport, Inc.	Milwaukee, WI
Daybreak Express, Inc.	Newark, NJ
Dayton Superior	Miamisburg, OH
Delta Air Lines	Atlanta, GA
Dependable Hawaiian Express	Jamestown, NC
DFM Enterprises	Brick, NJ
Diameter Paper Company	Atlanta, GA
Dillard Department Stores, Inc.	Mabelvale, AR
Dixie Trucking Company, Inc.	Charlotte, NC
Dixie Yarns, Inc.	Chattanooga, TN
Double D Express, Inc.	Peru, IL
Douglas & Sons, Inc.	Statesville, NC
Dresser Industries, Inc.	Alexandria, VA
Drug Transport, Inc.	Tucker, GA
Duke Power Company	Charlotte, NC
E.H. Hamilton Trucking & Warehousing	Indianapolis, IN
ERG Associates	Westwood, NJ
Estes Express Lines	Richmond, VA
Ethridge & Kanarick	Atlanta, GA
Evcor Atlanta	Norcross, GA
Family Dollar Stores, Inc.	Charlotte, NC
Fascor	Cincinnati, OH
Fastrans, Inc.	St. Louis, MO

Company**City, State**

FFE Transportation Services, Inc.	Dallas, TX
Fieldcrest Cannon, Inc.	Kannapolis, NC
Findlay Truck Line, Inc.	Findlay, OH
Fleetwood Folding Trailers, Inc.	Somerset, PA
Flexible Packaging	Louisville, KY
FMC Corp.	Philadelphia, PA
Franklin Express, Inc.	Franklin, KY
Fredrickson Motor Express Corp.	Tega Cay, SC
Freight Et Cetera	Little Rock, AR
Freight Management Specialists, Inc.	Lakeland, FL
Freight Watchers, Inc.	St. Louis, MO
Freightmasters	Eagan, MN
Fulton-Oswego Motor Express, Inc.	Fulton, NY
G & H Management, Inc.	Birmingham, AL
G & P Trucking Company, Inc.	Greer, SC
GE Capital	Atlanta, GA
Gemini Traffic Sales, Inc.	Edison, NJ
General Electric Company	Atlanta, GA
General Shale Products Corporation	Johnson City, TN
Goggin Truck Line Co., Inc.	Shelbyville, TN
Graham Ship By Truck Co.	Kansas City, KS
GS Express, Inc.	Nashville, TN
GST Corporation	Memphis, TN
H & H Specialty Coatings, Inc.	Jackson, TN
Hampton Industries, Inc.	Kinston, NC
Harper Transport, Inc.	Oxford, GA
Hatcher Trucking Co., Inc.	Roanoke, VA
Hazard Express, Inc.	Hazard, KY
Herbert W. Davis and Company	Fort Lee, NJ
Hercules Forwarding	Vernon, CA
Hoechst Celanese Corp.	Charlotte, NC
Howard's Express, Inc.	Geneva, NY
Hub Group Distribution Services	Arlington Heights, IL
HunterDouglas	Norcross, GA
Information Software, Inc.	Bloomfield, CT
Interstate Carrier Xpress	St. Louis, MO

Company**City, State**

INX International Ink Co.	Elk Grove Village, IL
ITT Industries	Palm Coast, FL
J.M. Huber	Atlanta, GA
JEVIC Transportation, Inc.	Delanco, FL
John Cheeseman Trucking	Ft. Recovery, OH
Kane Gray, Inc. Logistics Management	Portland, OR
Karen Bellis Associates	Pleasant Hill, IA
Kennedy Transportation	Elmhurst, IL
Kreilkamp Trucking, Inc.	Allenton, WI
Kroger Company	Cincinnati, OH
Kuntzman Trucking	Alliance, OH
Land Trucking Company	Jacksonville, FL
Liberty Diversified Services	Minneapolis, MN
Logicorp	Ann Arbor, MI
Logiserve	Chicago, IL
Logistics Planning Services	Inver Grove Heights, MN
LTD Express	Franklin, TN
Luna Truck Lines, Inc.	West Plains, MO
M & W Distribution	Atlanta, GA
Majors Transit, Inc.	Caneyville, KY
Malvern Systems, Inc.	Malvern, PA
Manning Motor Express, Inc.	Glasgow, KY
Masco Corporation	Taylor, MI
Master Halco, Inc.	McDonough, GA
Maws Warehousing	Louisville, KY
Mayfield Transfer Co., Inc.	Melrose Park, IL
McGraw-Hill	Blacklick, OH
McKesson Transportation Systems	San Francisco, CA
MDR Enterprises, Inc.	Omaha, NE
Mega Transportation & Dist., Inc.	East Providence, RI
Menasha Corporation	Neenah, WI
Mercury Marine	Fond Du Lac, WI
Midland Transport Limited	Dieppe, NB
Mihlfeld & Associates	Springfield, MO
Milan Express Co., Inc.	Milan, TN
Mitsubishi Electronics	Norcross, GA

Company**City, State**

Morgan Southern, Inc.	Atlanta, GA
MTX, Inc.	Raleigh, NC
Mueller Industries, Inc.	Cordova, TN
Nashville Wire Products Company	Nashville, TN
National Traffic Service, Inc.	Amherst, NY
New Penn Motor Express, Inc.	Lebanon, PA
Next Day Motor Freight, Inc.	St. Louis, MO
Niagara Mohawk Power Corporation	Syracuse, NY
Noland and Cummings	Warren, MI
Nordyne	St. Louis, MO
Norrenberns Truck Service	Nashville, IL
North Carolina Traffic League, Inc.	Charlotte, NC
Number One Parts, Inc.	Forest Park, GA
Nussbaum Trucking, Inc.	Normal, IL
O'Neal Steel, Inc.	Birmingham, AL
OCE-USA	Chicago, IL
Oklahoma Trucking Association	Oklahoma City, OK
Old Dominion Freight Line, Inc.	High Point, NC
Oliver Truck Corp.	Indianapolis, IN
One Transportation Service, Inc.	Zanesville, OH
Overnite Transportation Company	Richmond, VA
Palmetto State Transportation Co., Inc.	Greer, SC
Para-Chem Southern	Simpsonville, SC
Park Ridge Transport, Inc.	Hodgkins, IL
Parker Motor Freight, Inc.	Grand Rapids, MI
Patriot Express	Melrose Park, IL
Patterson Pump Company	Toccoa, GA
Payment & Logistics Services	Ormond Beach, FL
Perdue, Inc.	Bonaire, GA
Performance Transport, Inc.	Nashville, TN
Pinnacle Distribution	Knoxville, TN
Pioneer Balloon	Wichita, KS
Plexco	Bensenville, IL
Plymouth Rock Transportation Corp.	Stoneham, MS
Portland Express, Inc.	Portland, TN
President Baking Company	Atlanta, GA

Company**City, State**

Print-Pac	Atlanta, GA
Pullman & Associates	St. Louis, MO
Putnam Truckload Direct	Zanesville, OH
R & L Carriers	Wilmington, OH
R.M.D.S.	Atlanta, GA
RAM Motor Freight, Inc.	Cincinnati, OH
Reflect-A-Light, Inc.	Palatka, FL
Rock Transfer & Storage, Inc.	Milwaukee, WI
Rogers Dedicated Services	Smyrna, GA
Roseville Motor Express, Inc.	Crooksville, OH
Rubenstein Logistics Services, Inc.	Minneapolis, MN
Rushville Truck Lines	Rushville, IL
Ryder Integrated Logistics	Atlanta, GA
Rykoff-Sexton, Inc.	Indianapolis, IN
Saia Motor Freight Line, Inc.	Houma, LA
Sam-Son Distribution Center, Inc.	Buffalo, NY
Sega of America, Inc.	Redwood City, CA
Selee Corporation	Hendersonville, NC
Service Transport, Inc.	Cookeville, TN
Sewell Motor Express, Inc.	Wilmington, OH
Shipper's Transport Company	Nashville, TN
Shippers Express, Inc.	Jackson, MS
Shopko Stores	De Pere, WI
Shurtape Technologies, Inc.	Hickory, NC
Sidney Truck and Storage, Inc.	Sidney, OH
Simmons Company	Norcross, GA
Skyline Transportation, Inc.	Knoxville, TN
Smith and Waters, Inc.	Ware Shoals, SC
Smith Equipment	Huntsville, AL
Southeastern Freight Lines, Inc.	Lexington, SC
Southern Freight, Inc.	Atlanta, GA
Southern Plastics Co.	Columbia, SC
Southern States Cooperative, Inc.	Richmond, VA
Southwestern Motor Transport, Inc.	San Antonio, TX
Standard Motor Products, Inc.	Long Island City, NY
Standard Transportation Services	Joplin, MO

Company**City, State**

Star Transportation Services, Inc.	Bensenville, IL
Steelcraft Mfg. Co., div of Ingersoll-Rand	Cincinnati, OH
Stott & Davis Motor Express, Inc.	Auburn, NY
Stuart-Ironsides / D.A. Stuart	Willowbrook, IL
Sundstrand Corporation	Rockford, IL
Sunline Express Systems	New York, NY
Sunrunner Transport Services, Inc.	North Haven, CT
Super Transport, Inc.	Boca Raton, FL
Super Van Services Company	St. Louis, MO
Synergistic Systems, Inc.	Neptune Beach, FL
TanData Corporation	Tulsa, OK
Tell Systems, Inc.	Bay Head, NJ
Tenneco Packaging – AVI	Glen Falls, NY
Tennessee Trucking Express, Inc.	Nashville, TN
Tennessee Valley Authority	Chattanooga, TN
Terminal Trucking Company, Inc.	Concord, NC
The Bibb Company	Macon, GA
The Bolger Group	Lancaster, OH
The Connection Co – Div. Of Dan's Trans.	Columbus, OH
The Cooper Group	Apex, NC
The Crosby Group, Inc.	Tulsa, OK
The Custom Companies	Bensenville, IL
The Marco Company	Fort Worth, TX
The Match Maker	Florence, SC
The Summit Group	Mishawaka, IN
The Transportation News Digest	Arvada, CO
Thermal Ceramics	Augusta, GA
TMI Logistics Group	Norcross, GA
Towne Air Freight, Inc.	South Bend, IN
Traffic Audit and Bureau Services	Chelsea, MA
Traffic Management Services, Inc.	Alma, MI
Traffic Service Company	Birmingham, AL
Trans Impex, Inc.	Troy, OH
Trans International Company, Inc.	Menomonee Falls, WI
Transgroup Express	Seattle, WA
TransLogistics Consulting	Rothschild, WI

Company**City, State**

Transmobile, Inc.	Cincinnati, OH
Tri-State Express, Inc.	Culloden, WV
Tucson Traffic Service, Inc.	Tucson, AZ
Tulane Truck Service	Birmingham, AL
Uarco, Inc.	Barrington, IL
United American Video	Fort Mill, SC
Universal Traffic Service, Inc.	Grand Rapids, MI
UP Special Delivery, Inc.	Iron Mountain, MI
US Pipe and Foundry Company	Birmingham, AL
Van Melle USA, Inc.	Erlanger, KY
ViaWare, Inc.	Atlanta, GA
Vimich Traffic Logistics	Tecumseh, ONT, CAN
Vulcan Threaded Products, Inc.	Pelham, AL
VWR Scientific Products	West Chester, PA
W & B Trucking, Inc.	Kings Mountain, NC
Wagner Freight Lines, Inc.	Chattanooga, TN
Ward Trucking Corporation	Altoona, PA
Watkins Motor Lines, Inc.	Lakeland, FL
West Brothers Transfer & Storage	Raleigh, NC
WestPoint Stevens	Valley, AL
Williams & Associates, Inc.	Bloomington, MN
Wilson Trucking Corporation	Fishersville, VA
Woolworth Corporation	Harrisburg, PA
Zipp Express	Indianapolis, IN

Benchmark Pricing for a Stable LTL Economic Environment



AN EXECUTIVE SUMMARY • JULY 2003

Overview

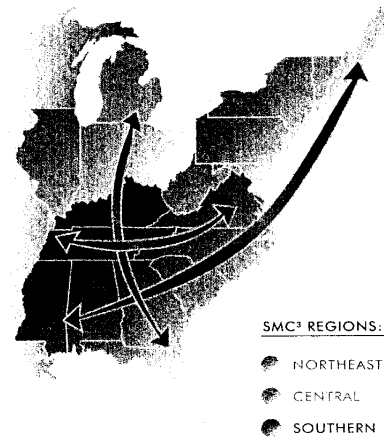
The creation of pricing benchmarks is a long-standing practice that provides important value in terms of economic and financial planning to both the producers and consumers of a particular industry's products or services. In the absence of these pricing and cost benchmarks, individual companies and their managers make buying and selling decisions based on intuitive feel, customer or vendor pressure and reactions to under-analyzed or misunderstood competitive maneuvering in the marketplace. A common business predicament associated with this intuitive process is that the available knowledge is not equal to the associated risks. Industry benchmarking seeks to soften the impact of such uncertainty through the creation of standards for measurement, reporting and informed decision-making.

In the LTL transportation industry, the creation of benchmarks for both industry pricing and the individual cost components that drive it are developed through processes conducted by regional rate bureaus. Staff experts from these organizations gather and analyze industry cost data to determine how they impact the pricing models that have been established to maintain industry economic viability. These findings are presented to carrier experts comprising a General Rate Committee (GRC) at public hearings in a process regulated by the Surface Transportation Board (STB) and protected by antitrust immunity. The result of these hearings is a rate increase representing benchmark pricing for an economic region and the carriers who participate in these regional rates.

When referring to the use of bureau rate products, noted transportation consultant and author Ray Bohman stated, "Many shippers that use multiple LTL carriers find these base rate scales to be extremely useful in rate negotiations, particularly when annual contracts are open for bidding. With these systems, every carrier is bidding off of the same rate scales".¹ (see map)

For SMC³ and its participating carriers, this year marks six decades of processing industry data and publishing a GRI (general rate increase). Participation in this public process of collective rate making and industry hearings has grown significantly over the past few years. Over

SMC³ Ratemaking Regions



50 participants, representing diverse segments of the transportation industry, attended the June 16-18, 2003 public hearing held in St. Petersburg, Florida. Included in the participants were members of truckload, less-than-truckload and small package carriers along with shippers, 3PLs, consultants, technology providers and other parties who represented a great variety of interests and opinions.

Having gathered, presented and reviewed the underlying cost components of such high-ticket items as labor, insurance and security, along with other requirements identified through the Carrier Cost Index, the SMC³ group determined that a GRI with an overall impact of increasing the base rate by 6.1% was required and that these rates would become effective August 1, 2003. This executive summary examines the impact of these cost drivers and the accompanying adjustments required to maintain competitive base rates.

Cost Drivers

SMC³ aggregates industry cost drivers through a variety of surveys conducted within its carrier group. This collective data process provides a consistent methodology to measure and understand the impact of specific LTL cost components. This process of measurement and analytical science far exceeds the capabilities of

any individual carrier and creates very credible adjustments to the benchmark rates. It measures trends over annual periods rather than as a singular event that lacks any historical perspective.

Research conducted during the August 2003 GRI process exposed primary cost drivers that are specifically measured and addressed in detail and other secondary drivers that are identified through carrier interviews, reviews of the trade press and other sources.

Insurance Related Costs

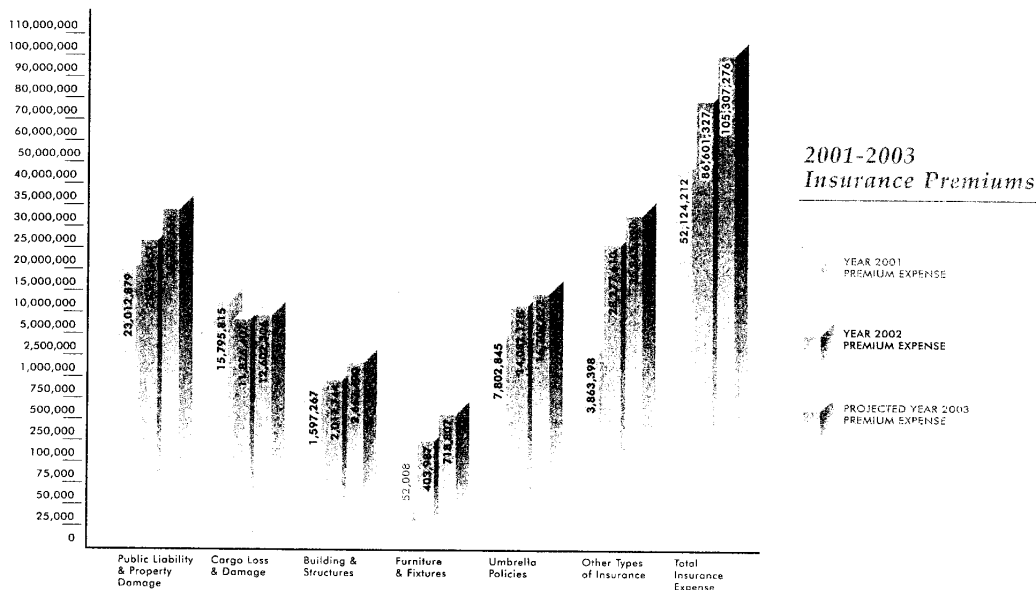
During the past 12 months, LTL transportation saw an unprecedented upward spiral in the cost of insurance. At the onset of 2003 it was reported that carriers were dealing with workers' compensation insurance premiums that were "on the rise," with increases as much as 50%.² Industry publications were reporting these same findings at the beginning of 2002, indicating that carriers' insurance troubles are only getting worse. A graph of the actual insurance costs measured in 2001 and 2002, along with the projected costs for 2003, show the cost of insurance in all segments doubling over a three-year period. (see insurance chart)

In their GRI statements, many of SMC³'s carriers cited increased healthcare and insurance costs as top influencers for rate increases. Noted industry watchers Robert Delaney of Cass Information Systems and ProLogis, and Donald A. Broughton of A. G. Edwards & Sons both site significantly higher insurance costs as contributing to trucking failures.³

Labor Related Costs

The LTL union talks and ensuing agreement earlier this year also had a major influence on future operations of union and non-union carriers alike, because it will inevitably set a new standard for pay and benefits within the industry.⁴ Even though many carriers in the SMC³ study group are not in the Teamsters union, they must maintain competitive wages and benefits compared to the unionized workforce. The new contract provisions, which were agreed upon on February 6, are in effect through 2008 and in that time will cost the participating carriers \$1.7 billion. The agreement includes continued 100% coverage of employees' health insurance premiums and co-pays, a significant increase in pension contributions, wage increases and expensive upgrades to sleeper cabs, among other items.⁵

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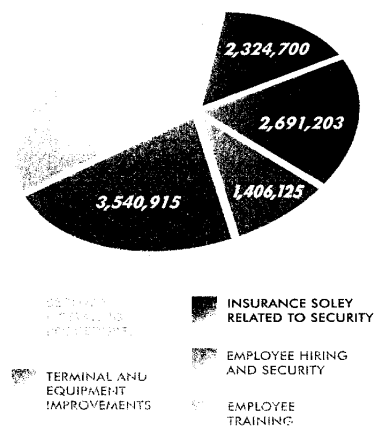
New hours-of-service rules issued by the Federal Motor Carrier Safety Administration will create another pressure point for labor during the August 2003 GRI period. These rules, while seen as generally a workable and thoughtful solution, do add expenses to carriers as they begin their implementation over the next several months. Estimates from industry analyst Robert V. Delaney put the price tag to the trucking industry at \$6.11 million as the industry seeks to increase its driver pool by 84,000 employees.⁶

Security Related Costs

The impact of terrorism, and the LTL industry's response for increased security and safety measures to cope with it, continue to burden carriers with extraneous overhead costs. These costs ripple through all areas of a carrier's operation, creating basic human resource issues such as hiring, training and labor cost increases. Other areas affected are capital expenditures to improve terminal and equipment security infrastructure, and increases due to security operating procedures.

In interviews conducted by SMC³ staff with participating carriers, managers often referred to security issues as one of the three top influencers that contribute to their companies' increased pricing requirements. In surveys conducted by SMC³ of the participating carriers, it was projected that these costs would add \$14 million in expenses. (see security chart)

Increased Security Expenses following 9/11/01



Technological Advancements Must be Made

LTL carriers in the study know that they must strike a balance for surviving economic fluctuations while at the same time meeting their customers' growing demand for faster service and enhanced technology that simplifies the process of managing LTL transactions. Shippers' expectations continue to rise and it has become common for carrier websites to provide around-the-clock online services such as shipment tracking, freight rating, pick up requests, bill of lading generation and information regarding invoices and payment status. The competitive bar keeps moving upward as these capabilities become more user friendly, customer specific and integrated into the internal systems of shippers.

Technology improvements for drivers are finding a broader base of LTL carrier acceptance. Wireless communication devices for local and line haul personnel add real-time information value to services, but not without a major investment. One mid-sized carrier reported an investment of over \$3.2 million in wireless technology for drivers. Another mid-sized carrier in the study group listed wireless technology implementation throughout its dispatch, terminal, dock and driver system as a major upgrade in its technology.

Carriers React to Changes in the Marketplace

Consolidated Freightways, after many years of tottering on the brink of disaster, closed its doors in the third quarter of 2002. Some industry experts predicted that the fall of the nation's third largest carrier would have a positive influence on its former competitors' bottom lines. However, others were not so optimistic and to many observers, the long-term effects of CF's closing have been seen as less than remarkable.

Why were the effects of CF's economic event so short term? Some of the new opportunities gained by the market realignment of CF's shippers were offset by the continuation of the three-year "freight recession" identified by Robert Delaney and Rosalyn Wilson in the 14th annual "State of Logistics Report," sponsored by Cass Information Systems, Inc. and ProLogis. In the report, a decline in trucking revenues

was correlated with transportation costs as a percentage of the Gross Domestic Product (GDP). After a decade (1990 – 2000) of measuring transportation costs at roughly 6% of the GDP, it decreased to 5.8% in 2001 and further to 5.5% in the year 2002. Trucking itself saw similar declines, from 5% of the GDP in the 1990s to 4.6% in 2001 and 4.4% in 2002. Notably, the brunt of this decline was in the LTL sector as truckload carriers saw an actual increase during 2002.⁷

Many other variables contribute to the lackluster results obtained by the industry after the closing of CF. Various estimates indicate that as much as 80% of the CF business was absorbed by the largest four carriers (none of which participate in the SMC³ GRI). The remaining 20% was dispersed to the rest of the industry — hardly an impact in a declining LTL economy. Others speculate that as the highly discounted CF business worked its way through the carriers' pricing systems, the net result of realigned accounts had very little positive impact on the industry's financial well-being.

The lesson of the CF bankruptcy is one that is all too common in the LTL industry. CF, like many of its predecessors, was trying to leverage aggressive pricing discounts in order to counter declining profitability, customer concern and competitive pressures. The result: a deteriorating operating ratio that ultimately led to business failure.

Operating Ratios Must Remain Strong

In the motor carrier industry, the long-standing measure of profitability is the operating ratio. The operating ratio is the ratio of expenses to revenue before interest and taxes. Based on extensive studies conducted by Dr. Irwin Silberman, Ph.D., an operating ratio of 93% is adequate to provide the needed return on investment for a motor carrier to remain in business for the foreseeable future.⁸

It is clear when looking at a carrier's operating ratio over a span of years, whether or not the company is healthy. In the years leading up to CF's collapse, for example, the carrier's operating ratio steadily climbed from 97.68% in 1997 to 99.91% in 1999, and finally to 105.00% in 2001.⁹ The outcome was inevitable.

The study group for the August 2003 GRI contained a mixture of national, multi-regional and regional LTL carriers representing annualized revenue of over \$13 billion. For the 12 month period ending March 2003, these carriers had an average operating ratio of 95.6% — a dangerous level for maintaining a healthy LTL carrier economy. When compared to data collected over the same period last year, operating ratios had increased slightly, an unhealthy prescription for individual carriers and an industry as a whole, for as these numbers rise, even the largest carriers are pushed to their breaking point.

How does SMC's CCI relate to the GRI?

Playing an integral role in finalizing this year's GRI, the Carrier Cost Index (CCI) is the index that most accurately reflects the market basket of products and services consumed by LTL carriers in their operations. Motor carrier costs involve numerous inputs that are unique to the motor carrier industry and the actual carrier involved; therefore, SMC³ pioneered and developed the CCI in 1999 to more accurately quantify the increased labor, labor-related and non-labor expenses in a carrier's operations. This assists in attaining an adequate yield on revenue, enabling the carrier to continue operations and attract capital.

Comparing the CCI, CPI and PPI

Two other well-known indices, developed and maintained by the U.S. Government's Bureau of Labor Statistics, are the Consumer Price Index (CPI) and the Producer Price Index (PPI). Neither index is designed to appropriately measure increases in motor carrier expenses.

The CPI measures the average change in the prices paid for a fixed market basket of goods and services. That basket includes items purchased for consumption by Urban Consumers (CPI-U) and Urban Wage Earners (CPI-W). The market basket of the CPI does not correlate with the purchases made by motor carriers in running their organizations and does not accurately reflect increases in carrier labor and non-labor costs.

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The PPI exhibits the same deficiencies as the CPI in relation to motor carrier labor and non-labor cost increases. It does not measure the proper proportions of labor, fuel and related operating expenses, which define trucking. The CPI and PPI were designed to measure the changes in two different segments of the economy for two different purposes, neither of which relates specifically to the LTL freight industry.

SMC³'s CCI divides motor carrier costs into two major categories: 1) labor and labor-related costs, and 2) non-labor costs. Adding the overall weighted average increase in labor and non-labor expenses and revenue need, the CCI provides for an overall increase that is necessary to recover increased labor and non-labor expenses, and is used to adequately provide for the essential long-term return on investment. (see graph below)

CCI Labor Categories

The trucking industry has been identified as a labor-intensive industry. Typically, labor costs represent 55% - 65% of total expenses and cover everything from the president's salary to casual labor. Labor expenses also include associated fringe benefit costs such as health care insurance, pensions, and state and federal payroll taxes.

SMC³ conducts an annual labor survey of its member motor carriers to obtain accurate data on the increase in labor costs. The segregation of

the actual labor dollars and related percentage increases by category provides a means of calculating an overall weighted average increase for labor and fringe benefit expenses.

CCI Non-Labor Categories

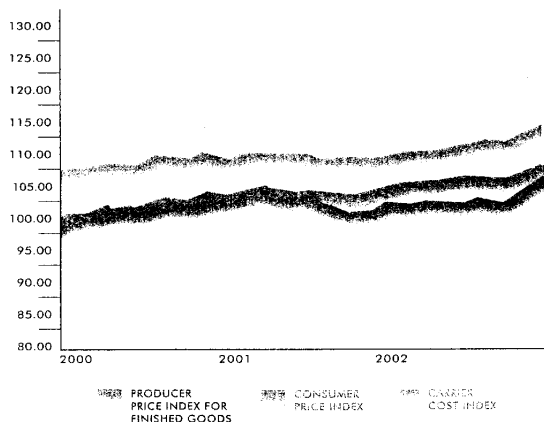
Non-labor expenses are approximately one third of total operating expenses. Studies have been conducted to determine the relative weight of each non-labor expense. When taken on an individual basis, non-labor expenses can be updated by using specific indices within the CPI and PPI.

The Impact of Fuel Costs

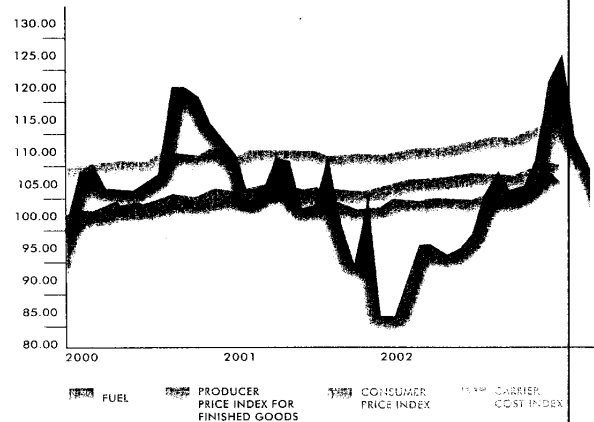
In a letter to President George W. Bush, dated January 10, 2003, American Trucking Associations president and CEO William J. Canary wrote, "With 86 cents of every dollar spent on freight transportation going to the trucking industry, it is apparent that the U.S. economy runs on trucks; and trucks run on diesel fuel. Fuel is typically the second highest expense for motor carriers, especially smaller ones. As a result, with every 10-cent increase in the price of diesel fuel, on average, 1,000 motor carriers with five trucks or more in their fleet will file for bankruptcy; this excludes the potentially thousands of smaller truckers that will fail in the same environment."¹⁰

The cost of fuel continues to be the elusive component in determining LTL price increases. Its

Graph of Economic Indices



Fuel Volatility Relative to Economic Indices



reactions to global politics, war, weather patterns and supply at the pump make it impossible to accurately predict its impact over the life of a GRI. The fuel volatility chart on page six illustrates the short-term reactionary nature of fuel pricing when compared to the more predictable nature of the CCI, PPI and CPI indexes. To fairly cope with the volatile nature of fuel pricing, carriers use fuel surcharge calculations tied to weekly government pricing indices. These surcharges track both increases and decreases in fuel costs, so both carriers and shippers benefit from swings of the fuel price pendulum.

This year's GRI does not include the impact of increased fuel prices.

Truth-In-Rates

This GRI is the first conducted under the Truth-In-Rates (TIR) decision issued by the STB in March of 2003.¹¹ TIR promotes the public interest and ensures that shippers of all sizes obtain the valuable information required to make an informed LTL purchasing decision. Specifically, TIR requires that shippers are provided with the range of discounts available on these (SMC³) collectively set rates and that this information is provided to the shippers that use them. SMC³ supports this openness and sharing of information and also cautions shippers that interpretations of discount ranges require an in-depth review.

Discounts in general are provided by carriers to shippers after an interview process in which the carrier determines how the shipper's product mix, freight density, shipping patterns, pick-up and delivery locations, and other characteristics align with the carrier's operation, freight mix and cost characteristics. These shipment attributes combine with a carrier's cost to determine a customer-specific package of pricing including discounts, FAK groupings and other charges. Under these individual pricing negotiations a specific and unique carrier-shipper pricing level is agreed upon.

Discounts on shipments are almost solely based upon the characteristics of the shipment and the frequency with which a shipper uses a particular carrier. As a rule, casual, infrequent shippers will experience a lower discount level than larger shippers with more attractive shipment density

and freight characteristics. SMC³'s member carriers are currently offering discounts that range from a minimum of 20% to a maximum of 84% (offered by one carrier).

SMC's GRI, Benchmark Pricing and LTL Economic Stability

Just like any other business, LTL carriers must increase their pricing periodically to neutralize financial burdens created by increased cost and to provide funds for the renewal and expansion of the enterprise. For LTL carriers, increasing expenses translates into labor, insurance, security and the financial requirements to upgrade technology, and infrastructure such as terminals and equipment.

With the CCI, SMC³ has built a solid foundation on which to continue its cost-based GRI strategy. This realistic and in-depth approach to motor carrier pricing facilitates the continuation of a market-based pricing structure. This base rate price, when combined with the information sharing of Truth-In-Rates, creates an intelligent negotiating base that can be relied upon by shippers, carriers and third parties to maintain dependable relationships and reliable transportation services. All of these ingredients work together to provide the shipping public with LTL economic stability.

1. Source: Ray Bohman, "CzarLite and Mars: Two LTL pricing alternatives," *Logistics Management* 1 August 2001.
2. Source: Daniel P. Bearth, "Rising Workers' Comp Premiums Force Higher Deductibles for Coverage," *Transport Topics* 6 January 2003: 1.
3. Source: John D. Schulz, "Trucking's \$10 Billion Hit," *Traffic World* 9 June 2003: 27.
4. Source: Perry A. Trunick, "Missing the Iceberg," *Transportation & Distribution* May 2003: 3.
5. Source: John D. Schulz, "The \$1.7 Billion Solution," *Traffic World* 17 February 2003: 9.
6. Source: "FMCSA issues final driver hours-of-service rules," *Logistics Management* June 2003: 15.
7. Source: Robert V. Delaney and Rosalyn Wilson, 14th Annual "State of Logistics Report," (Washington, D.C.: National Press Club, 2 June 2003) 6.
8. Source: Irwin H. Silberman, Ph.D., The "Sum of Money": An Assessment of the Financial Posture and Revenue Needs of Motor Common Carriers and General Freight (New York: ATA, 1975) 33.
9. Source: Data provided to SMC³ by Consolidated Freightways.
10. Source: "Canary Tells Bush Plan will Help Economy, Trucking," www.truckline.com 14 January 2003.
11. Source: This proceeding was instituted by STB decision served March 27, 2003 (49 U.S.C. 13703, STB Section 5a Application No. 118 (Sub-No. 2) et al).



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GRI WPor 7.03

**III.
Statement
of
Danny B. Slaton
Vice President, Sales and Marketing**

Statement
of
Danny B. Slaton

I am Danny B. Slaton, Vice President, Sales & Marketing, for Southern Motor Carriers Rate Conference, Inc. (SMC). I have been employed by SMC since 1989, and for six years prior to that time was employed as Director of Sales for Central & Southern Motor Freight Tariff Bureau. In all, I have been involved in the sales and marketing of LTL pricing systems, pricing software and related products for the transportation industry for some 21 years. For five years prior to that time I was employed by various motor carriers.

I have been requested by my company to prepare this statement describing CzarLite™ as a baseline pricing standard for shippers and their motor carriers, as well as for transportation intermediaries.

Over the past two decades major changes have occurred in the structure and business practices of shipper transportation consumers and carrier transportation providers. Shippers and carriers have experienced many evolutionary steps in how they negotiate LTL pricing, make individual shipment transaction decisions and implement these processes effectively throughout the technology, administrative and financial systems of the business enterprise. These changes impact many aspects and attributes of the requirements of an LTL benchmark pricing standard for use by the transportation industry.

Other changes in the industry, such as the growth of influential third party logistics providers (3PLs), the consolidation of the LTL carrier market, and the development of powerful computing networks that operate to integrate technology between various systems and business communities, reflect additional requirements for an industry pricing baseline. As these changes evolve and transition into new and refined business practices and processes, the need for a national LTL pricing standard continues to grow and evolve.

However, the traditional industry structure and processes to manage and develop this accurate, consistent and reliable LTL pricing standard have not kept pace with the changing times. Pricing for LTL traffic is still developed on a regional basis through bureaus and then compiled into a nationwide body of rates a practice that reflects the pricing, business and technology capabilities of a previous era. These regional processes are conducted with a questionable degree of success depending upon the individual strength and weakness of each regional organization's ability to conduct research, bring various industry interest groups together, and disseminate the resulting information through modern information technology. This statement presents an alternative to the current system for accumulating and presenting the LTL transportation industry's demand for benchmark pricing, and makes recommendations for positive changes for a true and responsive nationwide pricing benchmark for the LTL industry to meet the current and future needs of the transportation industry.

One potential model for the development and distribution of this benchmarking information can be found in the evolution of SMC's CzarLite family of products over the past decade. CzarLite was introduced to the LTL industry in the late 1980s as a family of computing tools and data that greatly simplified the use and implementation of the existing patchwork of regional LTL pricing. By developing a unique way of resolving territorial boundary overlaps and conflicts in the rate basing system, CzarLite was able to present a unified, nationwide base rate for various pricing processes. Among the many uses of the products were: benchmarking and development of individual tariffs, use as a base rate by shippers conducting LTL bids, and various projects of analysis and transportation optimization.

During the mid 1990s, an analysis of the growth of CzarLite indicated that there were over 120,000 individual users of CzarLite intellectual products including data, PC rating systems and systems for other platforms such as mainframes and mid-range computers. These measurements of users were gathered through the tracking of licensing and distribution records of diskettes and individual user technology. CzarLite continues to have single user licenses as a component of its product distribution; however, the development of network computing technology has dramatically changed distribution patterns from single users to multiple users. Other technological advances combining CzarLite with leading Transportation Management Systems (TMS), Warehouse Management Systems (WMS) and Enterprise Resource Planning (ERP) software packages have made it a component for delivery and use across the entire enterprise.

Business-to-business networks, adaptation by leading software providers, and additional distribution capabilities utilizing the Internet create enormous opportunities to share and collaborate with the various vendors, customers, alliances and others who comprise the economic community of transportation. Today's user base has been geometrically increased to hundreds of thousands by the advent of these vast communications networks, both within individual companies and within a community of companies.

All of these technical advances make the measurement of CzarLite in the previously used terms of counting end-users impossible, and the larger point of how CzarLite has become the standard for projects requiring LTL benchmarking is truly missed. A better understanding of the distribution and application of CzarLite is achieved through an examination of its use in various segments of the transportation markets, such as 3PLs, individual shippers and software developers. Individual shippers, who are the ultimate consumers of transportation services, provide the best insight into the widespread use of CzarLite. Shippers of all sizes, from the Fortune 500 to the casual and infrequent shipper, utilize CzarLite information to make informed LTL purchases. These shippers act both directly and indirectly through their technology software and transportation intermediaries. CzarLite has been licensed to over 1,000 shippers, including over one-third of the Fortune 500 companies.

CzarLite is not only a tool for the large and influential shipper. CzarLite is used as a baseline rate by shippers of all sizes and sophistication. On the opposite end of the Fortune 500 size equation, CzarLite is used to represent the LTL buying interest of thousands of small, occasional LTL shippers through the on-line services of shipper representatives such as FreightQuote, GTS Shipping, myFreightWorld.com and many more companies who aggregate the buying power of these small shippers into powerful negotiation bodies that rely on CzarLite base rate pricing and technology. These and other organizations representing small shippers account for over \$100 million in annualized transportation purchases.

A full understanding of how CzarLite represents the LTL pricing concerns of large, midsize and small shippers, would not be possible without looking at the use of CzarLite within the business processes and practices of the 3PL provider. Since the early 1990s, these organizations have become a powerful representative of shippers in the activities of negotiating LTL pricing and managing LTL purchases. Armstrong and Associates, who publishes "Who's Who in Logistics," conducts the most comprehensive study of this 3PL market. A summary by *Logistics Management* in their July 2003 publication listed the top 50 3PLs by gross revenues using Armstrong and Associates' research. Of this top 50, 34 utilize CzarLite in their strategy, and CzarLite is the base price for such industry business leaders as C.H. Robinson, UPS Supply Chain Solutions, FedEx Supply Chain Solutions, Ryder Logistics and Menlo Worldwide.

Third party representation covers shippers of all sizes, as several of these 3PLs specialize in the representation of various market communities that include midsize and small companies. These and other 3PL organizations manage hundreds of millions of LTL transportation dollars using CzarLite as the base.

With CzarLite having such a widespread representation in the purchase of LTL transportation, we can examine its various products and services to answer the question: What does it take to manage and administer an accurate and dependable system of collecting and presenting a nationwide body of rates? This recalls the central question of SMC's ability to collect and disseminate LTL pricing, which reflects not only regional pricing, but also national pricing data.

An important component of a viable benchmark price is its adaptability in meeting the technology needs of its users. CzarLite has a full line of technology components covering every major platform for business computing (i.e. Windows, Linux, UNIX, Mainframe, iSeries, AS/400, Networks, Internet). In addition, SMC provides data services to format and load data files into many proprietary systems (i.e. Manugistics, SAP, Kewill, Oracle). For more information about CzarLite technology see pages 7 through 13 of the SMC Technology Tools for Transportation catalog attached.

Technology platforms alone cannot resolve the transportation industry's requirements for an effective pricing benchmark. Standardization of industry business and technical processes must occur in order to meet the demands of shippers negotiating and purchasing from their LTL carriers. Over the past 15 years, SMC's CzarLite

technology interfaces have evolved to meet the discounting, FAK (freight all kinds) surcharge and other pricing requirements of a competitive transportation marketplace.

SMC technology interfaces are designed to handle an infinitely variable transportation price between a shipper and its carriers. Shippers, carriers, 3PL's and their technology providers can use CzarLite base rates and CzarLite pricing technology to adjust pricing at the global level of the business enterprise down to the most finite level of a class and weight cell to a specific shipment origin and shipment destination. This incredibly diverse pricing technology system means shippers obtain the most attractive and competitive LTL pricing without the costly and problem ridden prospect of managing a separate base for each of their participating carriers. Essentially each shipper and carrier can agree and manage whatever shipment price they want using CzarLite as a base.

A significant program for educating and informing the technology industry of these pricing options and processes is SMC's Software Alliance Program which provides the technology industry with an opportunity to network and interact with the transportation community. This program has a nationwide base of over 100 participants whose goals are to better understand the needs of the end user, create better technology interfaces for LTL rating and improve business intelligence and processes. These alliances find many benchmarking applications and processes where the use of CzarLite adds value and reduces costs.

If a nationwide pricing benchmark is a valuable asset for the transportation industry, what are the structural and intellectual requirements of an organization that creates this national standard? Most importantly, the organization would have to be viewed by all interested parties as qualified, fair and accessible. SMC, as an organization, meets and exceeds these requirements in a variety of ways. From a traditional viewpoint, the organization has a membership representing 125 carriers (see Membership List, Appendix A), including national, multi-regional and regional carriers. These carriers extend beyond the regional boundaries of SMC and are located throughout the nation (see Membership Map Appendix B). Carriers are represented at various levels of revenue size, from billion dollar carriers to carriers of a few million dollars. Also, member carriers and non-member carriers participate on a regular basis in SMC meetings, purchase SMC products and services, and are connected to the organization through SMC's educational and industry events.

This representation of various carrier market segments is critical to any organization's ability to represent the LTL carrier industry as a whole, as opposed to specialized segments of carriers. A review and analysis of the membership of various bureaus demonstrates that SMC's carrier composition is much more reflective of various industry segments than others. All bureaus have a membership that is representative of their regional market, and thusly reflects a limited view of today's LTL markets. SMC's membership includes some small, region-specific carriers but also counts multi-regional and national carriers as members, which ensures that a wide variety of issues and problems are discussed through the ratemaking and management process.

Additional analysis of carrier participation in bureaus indicates that this effective management of a nationwide pricing baseline by one bureau does not necessarily lead to the collapse of other bureaus that maintain regional services to their members. The current bureau system has minor overlaps in membership, demonstrating that small regional carrier issues are served through a different organizational structure than those having national interest. SMC supports a member carrier group that is, in many cases, largely separate and distinct from the membership of the other bureaus.

On the non-carrier side, SMC encourages participation by shippers, 3PLs, consultants and other parties (see Membership List, Appendix A). These 937 shippers and shipper representatives also demonstrate a national following (see Membership Map Appendix B). SMC provides them with weekly information bulletins, quarterly newsletters and other information pertaining to transportation pricing. Those representatives also participate in SMC meetings, educational events and various networking opportunities with member carriers. That body of shippers, 3PLs, consultants and other non-carrier parties is very influential in the development and management of SMC's intellectual property and is a primary influence in the area of CzarLite software product development.

SMC also has an active affiliation with the educational community. These industry influencers regularly participate in SMC events, are involved in SMC research, and help shape the development of SMC's products. Among the many educational communities networked into SMC are MIT, Georgia Tech, University of Tennessee, Ohio State University and Georgia Southern.

In order to be truly effective in the marketplace, a base rate must win the support of major shippers who have the transportation buying power to influence industry change with innovative concepts. Therefore, the organization that successfully develops and maintains the pricing benchmark will also be networked and integrated into the major transportation organizations such as the National Industrial Traffic League (NITL), NASSTRAC and Council of Logistic Management (CLM). SMC networks in these organizations through membership or participation in their meetings and trade shows. Many members of these organizations use SMC's CzarLite products and services strategically.

Historically, shipper members of NITL have been instrumental in the development and growth of CzarLite rates. CzarLite was created in 1987 as a shippers base rate for Masco Corporation and its subsidiaries Delta Faucet, Behr Process Corp., Brass Craft; all long-term shipper members of NITL. The concept of a single base line of rates was subsequently adopted by other NITL leaders including Weyerhaeuser Company, American Standard, Rexnord Corporation, General Electric, Atofina Chemicals, Baldor Electric, Emerson Electric, Kraft Foods, Kellogg Company, Nestle USA, Olin Corporation, Philip Morris, Sears Logistics, Sara Lee, Rohm and Haas Company and many others. Today more than 80 of NITL's shipper member companies use CzarLite as a base rate in their LTL pricing strategies. CzarLite is also actively

supported by many of NITL's leading member carriers including Averitt Express, Benton Express, Estes Express Lines, Jevic Transportation, New England Motor Freight, New Penn Motor Express, Old Dominion Freight Lines, Overnite Transportation, Southeastern Freight Lines, Central Freight Lines, Saia Motor Lines and Watkins Motor Lines.

A similar view of CzarLite is seen through the perspective of shippers of NASSTRAC, another leading shipper's trade association. Over sixty of these industry leaders utilize CzarLite pricing including Parker Hannifin, Pioneer Electronics, Bose Corporation, Corning, Inc., Eveready Battery Corp., Fisher Scientific Co., Hallmark, Harley Davidson, ITW Devcon/Plexus, Maytag Co., Moen Corp., Soletron, Inc., Springs Industries, Wellman, Inc. and many others. Many of NASSTRAC's carrier members also use and support CzarLite as a fair and reliable industry base rate.

In addition to the national organizations mentioned above, SMC is active in other national and regional organizations such as the North Carolina Traffic League (NCTL), Transportation Intermediaries Association (TIA), Transportation Sales and Marketing Association (TSMA), and the Loss Prevention Council (LPC).

Creating the LTL pricing benchmark is only part of the task. Making it useable throughout the myriad of technical systems and business software applications is the other challenge. SMC delivers on its promise through its Software Alliance Program. This special group of transportation technology leaders not only uses and supports SMC technology, it also serves as subject matter experts, thought influencers and advisors on how SMC can address the ever changing challenges of technical implementation. One measure of the success of this relationship with the technology community is the widespread implementation of SMC's LTL pricing technology through its nationwide customer base of 7,000 plus (see SMC Customer Distribution Map, Appendix C).

A critical component of creating and managing a successful national pricing base is the ability to gather, analyze and manage data that supports the pricing base. SMC has a long history of success in this process. SMC's staff continues to support its General Rate Committee and ratemaking process with a wide and deep variety of rating, costing and other industry data. The company has pioneered the use of the Carrier Cost Index, which gathers and measures the economic components that specifically reflect the costs incurred by carriers in providing their services to the shipping public. These studies provide a much greater level of confidence and accuracy to the development of industry standards than the more generic indices, such as the Consumer Price Index and the Producers Price Index. SMC's National Traffic Database provides another unique look at LTL transportation. This database is comprised of approximately 125 million individual shipments equating to \$20 billion in annualized LTL revenue. This one-of-a-kind national database, developed and refined over the past three years, provides an expert level of information, statistical validity and rich growth potential to the development of the national standard.

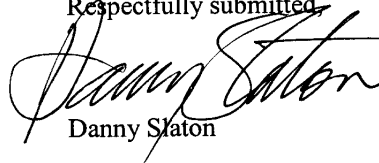
An organization that manages the LTL industry benchmark must understand the regulatory requirements of the industry and be able to interpret and implement them with

confidence and vigilance. SMC has a long history of cooperation and compliance with the Interstate Commerce Commission and its successor the Surface Transportation Board (STB). SMC meets with members of the STB and has often included its Commissioners in its industry meetings.

SMC works hard to understand and to comply with and implement STB guidelines and rulings. Implementation of the recent STB Truth-in-Rates (TIR) decision was supported by SMC in a wide variety of programs. After meeting with the STB staff, SMC and its legal representation held advisory meetings with its member carriers to aid in their understanding and implementation of the STB's requirements. SMC provided industry-wide information on the TIR through its Quarterly Review newsletter (distribution 5,000+), General Rate Increase White Paper and company website (www.smc3.com). SMC currently is conducting a national advertising campaign in various trade publications promoting CzarLite and its important linkage to the TIR decision. SMC is committed to maintaining an active and collaborative relationship with the STB and understands the regulatory requirements of managing a national pricing benchmark.

In summary, the evolution of SMC and its CzarLite technology has been driven by the marketplace needs of its shipper, carrier and 3PL customers. This diverse customer community requires an industry benchmark price for a wide variety of business activities at both the theoretical and execution level. SMC's technology evolution has created value to the transportation industry by standardizing data formats, improving business processes, computerizing critical information, establishing infinitely variable pricing options and providing the historical data references necessary to reduce future risk. This SMC product evolution has had a parallel evolution in SMC's membership and customer base. Over the past twenty years the demographics of this base has evolved from a regional geography to one that is national in scope and whose distribution directly correlates with the demographic distribution of the U.S. population. To continue this evolution and meet the changing needs of its member and customer base, SMC requires the authority to conduct its activities on a nationwide basis. This expanded authority will ensure the continuation of many critical components of industry information and supporting technologies to all concerned parties.

Respectfully submitted,



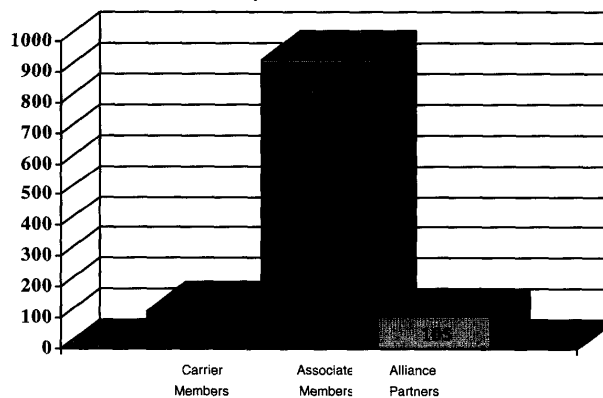
Danny Slaton

Appendix A

Carrier Members (125)

A & B Freight Line, Inc.
 AAA Cooper Transportation
 Aberdeen Express
 American West Worldwide Express
 Atlantic City-Phila Express
 Averitt Express, Inc.
 Benton Express, Inc.
 Bob Aikins Lines, Inc.
 Brown Transfer Co A Corp
 Bryan Truck Line, Inc.
 Bullet Freight Systems, Inc.
 Caldwell Freight Lines, Inc.
 Cargo Consolidation Services
 CBC Express
 Central Freight Lines, Inc.
 Chapin Logistics, Inc.
 Chase Transportation, Inc.
 Christy Trucking Company, Inc.
 Circle Delivery Service, Inc.
 Colonial Freight, Inc.
 Combined Express, Inc.
 Cranston Trucking Company
 Cross City Express
 CXI Trucking
 Dawes Transport, Inc.
 Dohm Transfer Company
 Double D Express Inc.
 Elfrink Transportation, Inc.
 Estes Express Lines
 Fairway Canadian Express, Inc.
 FFE Transportation Services, Inc.
 Fort Transportation & Service Co, Inc.
 Four Truckers, Inc.
 Frame's Motor Freight, Inc.
 Franklin Express, Incorporated
 Frontline Carrier Systems, Inc.
 G.I. Trucking Company
 Gaines Motor Lines Inc.
 Gay Truck Line, Inc.
 Georgia Freightways Corporation
 Goggin Warehousing LLC
 Graham Ship By Truck Company
 H & O Transport, Inc.
 H & W Trucking Company, Inc.
 H B Russell Truck Service, Inc.
 Hanson Transfer Inc
 Harper Transport, Inc.
 Hatcher Trucking Company, Inc.
 Hazard Express, Inc.
 Hilton-Spencerport Express, Inc.
 HOC Industries, Inc.
 HOT Services, Inc.
 HTG Rimes Logistic Services, Inc.
 Intercept d/b/a R.C.F, Inc.
 J. P. Express Service, Inc.
 Jahn Transfer, Inc.
 James D. Wilcox
 K & K Trucking, Inc.
 K Truck Lines Inc
 Koschkee Transfer Inc
 Lakeville Motor Express
 Lange Truck Line
 Lewis Truck Lines Inc
 Majors Transit, Inc.
 Merchants Freight Line, Inc.
 MGM Transport Corp.
 Midland Transport Limited
 Milan Express Co., Inc.
 Millennium Freightways, Inc.
 Morgan Southern, Inc.
 Morrell Transfer, Inc.

SMC³ Membership and Software Alliance Partners



Carrier Members (cont.)

Mt. Pleasant Transfer, Inc.
 Nebraska Transport Co., Inc.
 NEMA, Inc.
 New England Motor Freight, Inc.
 New Penn Motor Express, Inc.
 Newton Transportation Company, Inc.
 Norrenberns Truck Service
 Old Dominion Freight Line, Inc.
 Overnite Transportation Company
 Palmer Transport Corp.
 Palmetto State Transportation Co., Inc.
 Panama Transfer Inc
 Peet Frate Line, Inc.
 PJAX, Inc.
 Plant Truck Line, Inc.
 Radford Trans
 Rapid Freightways
 Roadrunner Freight Systems Inc.
 Roadtex Corp.
 Rogers Dedicated Services, Inc.
 Root River Valley Transfer
 Saia Motor Freight Line, Inc.
 Shippers Express, Inc.
 Skyline Transportation, Inc.
 Smith And Waters, Inc.
 South Atlantic Bonded Warehouse Corp.
 Southeastern Freight Lines, Inc.
 Southwestern Motor Transport, Inc.
 Standard Forwarding Co., Inc.
 Standard Transportation Services
 SunBelt Furniture Xpress, Inc.
 Sunrunner Transport Services, Inc.
 Super Transport, Inc.
 Superior Express, Inc.
 Tax Airfreight, Inc.
 Tennessee Express, Inc.
 Tennessee Trucking Express, Inc.
 Terminal Trucking Company, Inc.
 Texas Louisiana Cartage, Inc.
 Towne Air Freight
 Tri-State Express, Inc.
 Truck Air Of The Carolinas, Inc.
 Tulane Truck Service
 UP Special Delivery, Inc.
 USF Red Star Express Lines
 Volunteer Express, Inc.
 W. M. Burnett Truck Line, Inc.
 Ward Trucking Corp.
 Warren Trucking Company, Inc.
 Watkins and Sheperd Trucking, Inc.

Carrier Members (cont.)

Watkins Motor Lines, Inc.
 Wichita-Southeast Kansas Transit Inc.
 Wicker Services, Inc.
 Wilson Trucking Corporation

Associate Members (937)

A. Schulman, Inc.
 A.O. Smith Electrical Products Company
 AAF International
 Aaron Rents, Inc.
 Abercrombie & Fitch Trading Company
 AccuSHIP.com
 Ace Pump Corporation
 Acme Distribution Centers
 Acucote
 Adaseal International, Inc.
 Advance Auto Parts
 Advantis Technologies, Inc.
 AEP Industries (American Extruded Plastics)
 AES Logistics, Inc.
 AGO Logistics, LLC
 Airtex Products
 Ajinomoto USA
 Alan Wire Company
 Albertson's, Inc.
 Alcan Cable
 Alco Industries
 Alcoa
 Alcoa Home Exteriors
 Allflex Corporation
 All Service Delivery
 Allegheny Warehouse & Distribution
 Allen Lund Company
 Alliance 3PL Corp.
 Alliance Shippers, Inc.
 Alltrista Consumer Products Company
 Allyn International
 Alpha Security Products, Inc.
 AM Cosmetics
 Amazon.com, Inc.
 Am-Can Transport Service, Inc.
 Amerex Freight
 American Color Graphics
 American de Rosa Lamparts, Inc.
 American Health Products
 American Louver Co.
 American Standard, Inc.
 AmeriCold Logistics
 AMG Logistics Consulting
 Amrep, Inc.

Associate Members (cont.)

Amstan Logistics, Inc.
 AMTREX Global Logistics
 Andersen Corporation
 Anderson Chemical Company, Inc.
 Andrew Corporation
 Anixter, Inc.
 AOL Time Warner Book Group
 APL Logistics
 Apogent Technologies, Inc.
 Aplica Consumer Products, Inc.
 Applied Extrusion Technologies, Inc.
 APT Transportation, Inc.
 Aqua-Chem, Inc.
 Aramark Uniform & Career Apparel, Inc.
 Army Air Force Exchange Service
 Arnold Logistics, LLC
 Arrow International, Inc.
 Artesyn Technologies North America, Inc.
 Arteva Specialties S.a.r.l. d/b/a KoSa
 Arvato Services
 ArvinMeritor, Inc.
 ASK Logistics
 Aspen Alliance Group (Corporate)
 Aspen Pet Products, Inc.
 Associated Global Systems
 Astro Apparel Group
 Atco Rubber
 Atlanta Logistics Corporation
 Atlanta Regional Distribution Center, Inc.
 Atlantic Marine Holding Company
 ATOFINA Petrochemicals
 Atomic Box Logistics
 Atotech USA, Inc.
 Auditech
 Aurora Foods
 Authentic Specialty Foods, Inc.
 Automated Packaging Systems
 AutoZone, Inc.
 Ayaya, Inc.
 Avery Dennison
 AxleTech International
 Bailey Street Trading Company
 Baker Manufacturing Company
 Baker Petrolite
 Bandag, Inc. (Hdqtrs, Res. & Dvlp. Ctr.)
 Banta Company
 Banta Packaging & Fulfillment
 Barilla America, Inc.
 Bausch & Lomb
 Baxter International
 Bayer CropScience
 Bechtel National, Inc.
 Becton Dickinson and Co.
 Beiden Wire & Cable Company
 Bemis Logistics Center
 Bendix Commercial Vehicle Systems
 Benore Logistic Systems, Inc.
 Berlin Industries
 Berman Blake Assoc Inc
 Bernhardt Furniture Co.
 Berry Logistics & Transportation, Inc.
 Best Buy
 Best Manufacturing Company
 Best Manufacturing Group, LLC
 BestSweet, Inc.
 BGF Industries, Inc.
 Bio-Labs
 Blain Supply
 Blistex, Inc.
 Blitz USA

Appendix A

Associate Members (cont.)

Blum, Inc.
Bohler-Uddeholm Corp.
Bonne Bell
Book People Employees Association
Borg Warner, Inc.
Bostik Findley, Inc.
Bridgestone / Firestone Inc.
Bridgford Foods
Briess Malt & Ingredients Co.
Briggs and Stratton
Brimhall Foods
Brown North American Logistics
Brubex Enterprises
Bunzul Extrusion Company
C & D Technologies, Inc.
C & H Distributors, Inc.
C & M Services
C & S Transportation Services, Inc.
C. R. Bard, Inc.
C.H. Robinson
Caldwell Manufacturing Company
Calsak Corporation
CALTOP Logistics
Cambridge Lee Industries
Cannon Equipment Company
Capital Transportation Logistics, Inc.
Capital Transportation Services, Inc.
Cardinal Brands
Cardinal Health, Medical Products and Service
Carlisle Food Service Products
Carlisle Power Transmission Products, Inc.
Carlisle Tire & Wheel
Carpenter Co.
Carroll Company
Castle Metals, Inc.
Catherines Stores Distribution Center
CDS Equipment, Inc.
Cendian, Inc.
Central Products, Inc.
Central States Business Forms
Central Steel And Wire Company
Cerdec Corp/Degussa Metals Catalysts (DMC2
Cerexagri, Inc.
Cerro Wire & Cable Co., Inc.
Champion Laboratories, Inc.
Champion Plastics
Chatterm, Inc.
Checkpoint Systems, Inc.
ChemTreat, Inc.
Chevron Phillips Chemical Co., LLC
Chicagoland Logistics
Chikol Equities, Inc.
Church & Dwight Co. Inc.
Ciba Specialty Chemicals
CinRAM International, Inc.
Cintas Corporation
Circuit City
Clariant Corporation
Clarke Logistics
Clifford of Vermont
Cobe Cardiovascular
Cobra Electronics Corp
Coca-Cola Fountain
Cognis Corp.
Colepak, Inc.
Colgate-Palmolive Company
Colinx, LLC
Collins & Aikman Corp
Commodity Logistics, Inc.
Commonwealth Brands, Inc.
Communications Supply Corp.
Composites One

Associate Members (cont.)

Concentrek, Inc.
Condata Logistic Services
Conestoga Wood Specialties Corp.
Consolidated Electrical Distributors, Inc.
Consortium Book Sales & Distribution
Contico International, LLC
Continental Traffic Co.
Continental Traffic Service
Cook Composites and Polymers
Cooper Industries
Cooper Split Roller Bearing Corp.
Corona Clipper
Correctional Industries
CP Kelco U.S., Inc.
Cracker Barrel Old Country Store, Inc.
Crane Co.
Crane Plumbing Co., CR/PL, L.L.C.
Crazy Mountain Imports
Crescent Cardboard Company L.L.C.
Crosman Corporation
Cumberland Swan Holdings
Custom Logistics Services, Inc.
Custom Transport, Inc.
D & S Transportation, Inc.
D&J Associates, Inc.
D. B. Industries, Inc.
Danaher Corporation (Hach)
Data2Logistics
Daubert Industries/ECP
Dayton Superior
DC Marketing Inc. dba Roadlink
Deere & Company Library
Deflect-o Corp.
Degussa BioActives
Dell Computer Corporation
Deloitte & Touche LLP
Delta Air Lines, Inc.
Delta Services Corporation
Deluxe Media Services, Inc. - Logistics Division
Demar Logistics
Diamond Products Company
Diamond Vogel Paints
Dick Blick Company, Inc.
Dick's Sporting Goods
Dillard Department Stores, Inc.
Direct Logistics, Inc.
Direct Shippers Association, Inc.
Distribution Point LLC, The
Distributors Stock Forms, Inc. (DSFI)
DiversiTech Corporation
DLT Transportation Services, Inc.
D-M-E Company, A Milacron Company
Do it Best Corp.
Dollar Tree Stores, Inc.
Dorel Juvenile Group
Dr. Pepper/Seven-Up Mfg. Co.
Dresser Flow Control
DSC Logistics; National Service Center
DTS Logistics Services, LLC
Dunbarton Corporation
Duni DeSter Corporation
Duo-Fast (an ITW Company)
Dupré Transport LLC
DYWIDAG-Systems International USA
E & S International Enterprises, Inc. (ESI)
E I Du Pont de Nemours & Company
EA International, LTD
East Coast Warehouse and Distribution Corp.
East Penn Manufacturing Co., Inc.
Eastern Ribbon & Roll Corp.
Eastman Kodak Company
Econoco Corporation

Associate Members (cont.)

Edwards Brothers, Incorporated
EGL Eagle Global Logistics
Eight in One Pet Products
Emergency Medical Products, Inc.
Emerson Electric Company
Emser International
EnerSys, Inc.
Enovation
Ensenda, Inc.
Environments
Epes Freight Management Services
Epson America, Inc.
Equipto
Evans Food Products
Evans Logistics
Evans Transportation Services, Inc.
Executive Courier, Inc.
Exide Technologies
Exotic Metals Forming Co.
Expedited Freight Systems, Inc.
F.L. Smith, Inc.
Facility Management Group, The
Family Dollar Stores Inc
Fantech
Fastenal Company
Fastway Terminals, Inc.
Faultless Starch/Bon Ami Company
FDSI Logistics, Inc.
Federated Logistics, Inc.
Fellowes, Inc.
Ferguson Enterprises
FF&E Transportation Services, Inc.
FHP
Fibermark Durable Specialties, Inc.
Fisher Scientific Company, L.L.C.
Fleetguard, Inc.
Flo Trans Warehousing & Distribution
Florida Distillers Co.
FlowServe Corporation
Follett Higher Education Gp, Logs. Dept.
Foreign Candy Company
Fox River Paper Company
Freight Auditing Technologies, Inc.
Freight Management and Allocation
Freight Management Systems
Freight Management, Inc.
Freight Traffic Management
Freight Traffic Services
freightPro, Inc.
Frito-Lay, Inc.
Fry Reglet Corp.
FSL Group, The
Fuchs Lubricants Co.
Fuji Photo Film U.S.A. Inc.
FW Kyes
FX Coughlin Co., Inc.
G & P Trucking Co., Inc.
G.A.L. Manufacturing Corp.
Gai-Tronics, Inc.
Gambro, Inc.
Gap Inc.
Garner Automotive Products
Gateway Distribution
GBS Printed Products & Systems
Gefco (The George E. Failing Company)
Gehl Company
Genco
General Binding Corporation
General Dynamics Land Operations
General Pacific, Inc.
General Parts, Inc./dba Carquest
Genlyte Thomas Group, LLC

Associate Members (cont.)

Gerber Plumbing Fixtures LLC
Ghent Manufacturing
Gibraltar Steel
Gift Wrap Company
Gilbarco Veeder-Root
Gillette Company, The
Global Transportation Systems
Golden Star, Inc.
Goldens State Foods
Goodyear Tire & Rubber Co.
Gordon Food Service
Gorman-Rupp Company
Graphic Converting West
Graphic Technology
Grass America, Inc.
Great American Business Products
Grundfos Pumps Corporation
GS Metals, Inc.
Guitar Center, Inc.
Gutter World
H.E. Williams, Inc.
H.L. Albright Transportation Mgmt., Inc.
HA Logistics, Inc.
Haemonetics Corporation
Hagemeyer North America Holdings, Inc.
Hager Hinge Co.
Hallmark
Hapco
Harley Davidson
Harman Kardon Incorporated
Harrington Corp.
Harris Moran Seed Company
HeatCraft, Inc.
Helen of Troy, L.P.
Herr's
Hertz Furniture Systems
Hewlett Packard Company
Highsmith, Inc.
Hitachi Transport System (America), Ltd.
Hobbico, Inc.-Hobby Corporation of America
Holland Special Delivery
Home Depot - Store Support Center
Honeywell
Houston Wire & Cable Co.
Huhtamaki Foodservice, Inc. /The Chinnet Co.
Hullison & Son Cartage/Logistics
Hunt Corporation
HUSCO International, Inc.
Hussey Copper Ltd.
Hy-Lite Products, Inc.
IBM Consulting Services
ICECORP America, Inc.
ICG Commerce
IFB Transportation Systems
IKON Office Solutions
Ilisco Corp.
IMI Cornelius Inc.
Imperial Adhesives, Inc.
In Zone, Inc.
Incon Container USA Ltd
Ineos Acrylics Inc.
InPro Corporation
Insite Logistics, Div. of UniGroup, Inc.
Integrated Logistics
Integrated Supply Network (ISN)
InterMoveGlobal, LLC
Interstate Truckway Dedicated Services, Inc.
INX International Ink Co.
Iomega Corporation
Iron Out, Inc.
Isotec, Inc.
ITS Traffic Systems, Inc.

Appendix A

Associate Members (cont.)

ITW Pasiode
J & P Cycles
J. M. Huber Corp.
Jacobson Logistics Company, Inc.
Jakel, Inc.
Jarrett Logistics System
JELD-WEN
Jiffy Steamer Company LLC
JJI Lighting Group
JLG Industries, Inc.
Jo-Ann Stores, Inc.
John Mezzalingua Associates, Inc. dba PPC
Johnson & Johnson Sales and Logistics Comp.
Johnson Polymer, div. SC Commercial Markets
Jones Plastics
Jones Stephens Corp.
Joyco USA
JTS
K & K Express, LLC dba K2 Logistics
Kaiser Aluminum & Chemicals Corp.
Kaman Aerospace Corporation
Kane Magnetics International
Kaplan Companies
Kathryn Beich Fundraising, Inc.
Katun Corporation
KDF Management, LLC
Kahe Food Distributors, Inc.
Kellogg Company
Kemira Chemicals, Inc.
Ken-Mac Metals
Kerr Drug, Inc.
Kerry Group
Kerry, Inc.
Keystone Dedicated Logistics
Kid Glove Service, Inc.
Kinedyne Corporation
King Shipping, Inc.
Kingsgate Transportation
Koch Chemical Technology Group
Koch Equipment, LLC
Koch Logistics
Kompan, Inc.
Konica Minolta Business Solutions USA, Inc.
Kraft Foods North America, Inc.
KST Coatings Manufacturing, LLC
Kubin-Nicholson Corporation
Kuehne & Nagel Inc.
Kuehne & Nagel Logistics, Inc.
L. Powell Company
L.E. Johnson Products, Inc.
L.R. Nelson Corporation
Label Art, Inc.
Laclede Chain Company
Lakeshore Logistics, Inc.
Lamson & Sessions
Landstar Inway Inc.
Landstar RMCS
Lanter Company
LaSalle Bristol Corporation
Lavi Industries
La-Z-Boy Logistics
Le Creuset of America, Inc.
Leading Edge Logistics Corporation
Leather Factory Inc.
Leggett & Platt, Incorporated
Legrand North America
Lehigh Group
Leman USA Inc.
Lexmark International
LGX Logistics Inc./Re: Transportation
LHP Transportation Services, Inc.
Liberty Diversified Industries

Associate Members (cont.)

LifeScan, Inc.
LifeWay Christian Resources
Lincoln International Freight Services, Inc.
Lincoln Snacks Co.
Lisa Frank, Inc.
Lockhead Martin Strategic Sourcing Solutions
Logiserve, Inc.
Logisource, Inc.
Logistic Concepts, Inc.
Logistics Department, The
Logistics Management Services
Logistics Management Solutions, LLC (LMS Logistics)
Logistics Planning Services
Logistics Plus
Lord Corporation
Louisville Slugger
Lowe's Companies, Inc.
LTA Group, Inc., The
M & L Trucking Service, Inc.
MacPherson's
Mail-Well
Makita USA
Malloy Incorporated
Manchester Tank
Manhattan Associates, Inc.
Manitowac Beverage Equipment
Manitowoc Ice, Inc.
Mansfield Plumbing Products, LLC
Mapei Corporation
Marathon Brake Systems, Inc.
Mariani Packing Co., Inc.
Mark IV Automotive
Masco Corporation
Mattel, Inc.
Maxell Corp. of America
Maxxim Medical
May Department Store Company
Mazda North American Operations
McBride Research Labs, Inc.
McCormick & Company, Inc.
McGraw-Hill Educational & Professional Pub. Group
McKesson Transportation Systems
McLaughlin Body Company
McNichols Co.
Meadow Burke Products
Medtech
Mega Logistics, Inc.
Meijer, Inc.
Menlo Logistics
Mepla-Aflit, Inc.
Merchants Distributors, Inc.
Meridian IQ
Meridian IQ / MegaSys, Inc.
Metcraft, Inc.
Metro Logistics Inc.
Metso Minerals (USA) Inc.
Mettler-Toledo, Inc.
MI Transportation, Inc.
Michelin North America
Mid Atlantic Logistics, Inc. (MDAO)
Middle Atlantic
Mihlfeld & Associates
Milacron, Inc.
Millbrook Distribution Services
Miller Industries Towing Equipment, Inc.
Milwaukee Electric Tool
Misco Shawnee, Inc.
Moore North America, Inc.
Mountville Mills, Inc. dba The Andersen Company
Mueller Industries, Inc.
Multifoods
myFreightWorld

Associate Members (cont.)

NASSTRAC
National Business Furniture, Inc.
National Envelope Corporation
National Oilwell
National Products, Inc.
Nationwide Logistics (The Arthur Wells Group)
Nature's Way
Nautilus/Schwinn Fitness Group, Inc.
Navarre Corporation
NCR, Retail Solution Division
Neopart Div. of Neoplan
NeoResins, Inc.
Neri Diagnostics
Nestle USA Logistics Services
New Breed Logistics, Inc.
Newark Group, The
Newell Rubbermaid
Newgistics, Inc.
Nexpak
Nexus Distribution Corporation
NFI Interactive Logistics
Nissan Motor Manufacturing Corp
Nissan North America, Inc.
Nolan and Cunnings
Nolan Power Group
Norcold, Inc.
Nortek
North American Van Lines
Northern Continental Logistics
Novartis Consumer Health
NTC Logistics
NTE, Inc.
Nufarm Americas
Nu-Kote International, Inc.
Oakite Products Inc
Oatey Supply Chain Services
OCE-USA
October Hill Logistics
ODL, Inc.
Office Depot, Inc.
OfficeMax, Inc.
Okidata
Old World Industries, Inc.
Omron Healthcare, Inc.
Omron Logistics of America, Inc.
Ondeo Nalco
One Network Enterprises, Inc.
Oneida Ltd.
Optimum Nutrition, Inc.
OPW Fueling Components
Orbis, c/o Menasha Shared Svc. Ctr.
Organized Living
Overhead Door Corporation
Owens & Minor, Inc.
Owens Corning
Ozburn - Hessey Logistics
Pacer Global Logistics
Pacific Cycle LLC
Package Service Company LLC
Pactiv Corporation
PAM Transportation Services, Inc.
Panduit Corp.
PaperPak USA
Para-Chem Southern
Parkdale Mills
Party City Corporation
Paul L. Broussard & Associates
PBM Graphics
Pearl Corporation
Pearson Education
Pegasus Logistics Group
Penda Corporation

Associate Members (cont.)

Pentair, Inc.
Personal Optics, Inc.
Pets International, Ltd.
Philips Consumer Electronics
Phoenix Forge Group
Phoenix Textile Corporation
Pioneer Balloon
Pirelli Cable Corporation
Plassein Packaging Corp.
Plastic Omnium Auto Exterior, LLC
Plastic Packaging Technologies LLC
Plastics Engineering Company
Playtex Family Products
Plus Mark, Inc., Afton Plant
Polaroid Corporation
Porteous Fastener Company
Portola Packaging, Inc.
Prairie Packaging, Inc.
Presto Products, Inc.
Prestolite Electric, Inc.
PrimeSource Building Products, Inc.
Printing Industry of Wisconsin
Priority Logistics, Inc.
PSI
PSS World Medical, Inc.
Quad/Graphics, Inc.
Qualis, Inc.
Quantum Logistics
Quebecor World Logistics
Quest International, Inc.
Quickie Manufacturing Corporation
QVC, Inc.
R.M. Sullivan Transportation, Inc.
R.M.D.S. (Division of Genuine Parts Co.)
Radiator Specialty Company
RadioShack Corp.
Rain Bird Corporation, Distribution Division
Random House, Inc.
Rangaire
Rapid Freight Systems, Inc.
RayTrans Management, Inc.
Recellular, Inc.
Red Man Pipe & Supply
Radiform, Inc.
Refrigerated Delivery Service
Regal Chemical
Reichhold, Inc.
Remington Products Company, L.L.C.
Rental Service Corp.
Republic Builder Products, Inc.
Republic Wire, Inc.
Revlon Distribution Center
Rexnord Industries, Inc.
Reynolds Food Packaging
Rheem Manufacturing Co.
Rittal Corporation
Riverside Logistics, Inc.
Riverside Partners LLC
ROACO, L.L.C.
Robert Bosch Corp.
Rochester Midland Corp.
Rock-Tenn Company
Rodale
Rohm and Haas Company
Rose Art Industries
Ross Stores
Royal Appliance Manufacturing Co.
Royal Cup, Inc.
Royal Oak Enterprises, Inc.
RR Donnelley Logistics
Russell Corporation
Rust-Oleum Corp.

Appendix A

Associate Members (cont.)

Ryder Transportation Management
Ryobi Technologies, Inc.
Sabin Robbins Paper Company
Saddle Creek Corp.
Safety Today, Inc.
Salway Services, Inc.
Saint Gobain Abrasives
Salem Logistics, Inc.
Sally Beauty Company, Inc.
Sam-Son Distribution Center Inc.
Samsung Electronics America
SanMar Corporation
Sappi Fine Paper
Sara Lee Corporation
Scandura
Schaefer Systems International, Inc.
Schering-Plough Corporation
Schneider Logistics, Inc.
Schwarz Paper Company
Scientific Atlanta, Inc.
Scott Traffic Consultants, Inc.
SCP Pool Corporation
SealMaster Industries, Inc.
Sears Logistics Service
Selkirk, LLC
Sequa Corporation
ServiceCraft LLC
Servicys
SethMar Transportation, Inc.
Shakespeare Monofilaments
Sharp Electronics
Sharp Electronics Corp.
Shipco Transport Inc.
Shiplogix (SLX, Inc.)
Shippers Commonwealth LLC
Shopko Stores, Inc.
SI Corporation
Siebling America, LLC
Signature Distribution
Silicon Graphics Inc. (SGI)
Simmons Company
Simplicity Manufacturing
SKW Alex Fries, Inc.
Sleeveco
Slim-Fast Foods Company
Sloan Valve Company
Smartbargains, Inc.
Smartlinc Logistics
Smith Container Corporation
Smurfit-Stone Container Corp.
Snap-on Tools Corp.
SoftSheen-Carson Products, Inc.
Solar Group, Inc.
Sollectron, Inc.
Sonoco Products Co
Sony Electronics
Source One Healthcare Technologies
Southern Bonded Warehouse
Southern Champion Tray, LP
Southern Freight Audit
Southern Millwork Company
Southwire Company
Sovereign Specialty Chemicals, Inc.
Spaulding Lighting, Inc.
Spectrum Transportation Consultants, Inc.
Spencer Gifts LLC
SPI Lighting, Inc.
Spic N Span
Sportex, Inc.
Springs Industries, Inc.
Sprint North Supply
Stag Enterprise Inc.

Associate Members (cont.)

Standard Register Co
Stanley Works
Starbucks Coffee Co.
Starlite Services Inc.
Staton Wholesale
Steris Corporation
Store Supply Warehouse, Inc.
Stott & Davis Advantage Services
Stouse Sign & Decal, Inc.
Strapack
STRATTEC Security Corporation
Strong Hold Products
Stuart C. Irby Co.
Sturm Foods, Inc.
Style Solutions, Inc.
Sud-Chemie, Inc.
Sumner Manufacturing, Inc.
Sunbeam Corp.
Sun-Maid Growers of California
Superior Uniform Group, Inc.
SuperVan Service Company, Inc.
Surface Technologies, Inc.
Sysco Corporation
Systemax
Taminco, Inc.
Targus
Taylor Distributing Co., Inc.
TB Woods
Tech Data Corporation
Techline
Technical Consumer Products
Teco-Westinghouse Motor Company
Tecumseh Products
Teepak, LLC
Tennessee Valley Authority Transp. Procurement
Tensor Corporation, The
The Clorox Company
Thermos LLC
Thomas Scientific
Thompson Cigar
Thomson 60 Case, LLC
Thule, Inc.
Thyssen Krupp Materials North America, Inc.
Ticona Polymers, Inc.
Time Warner, Inc.
TJX Companies, The
TKX Logistics, Inc.
TMI Logistics Group
TMLC, Inc.
TNT Logistics North America
Tom Joy & Son, Inc.
Torntech Design
Tone Brothers, Inc.
Toshiba America Consumer Products
Total Fina Elf Lubricants USA Inc.
Total Logistic Control, Inc.
Total Logistics Corp.
Total Transportation Resources, Inc.
TOTALogistix, Inc.
Toter Incorporated
Totes Incorporated Corp.
Toto USA
Toyota North American Parts Operations
Traffic Logistics, Inc.
Traffic Management Services, Inc. (TMS)
Traffic Systems, Inc.
Trailmobile Parts & Service Corporation
Trans International Co., Inc.
Trans World Entertainment
Transaver, Inc.
Translogistics, Inc.
TranSource LLC

Associate Members (cont.)

TranSource, Inc.
TranSouth Logistics, LLC
Transplace
Transportation Costing Group, Inc. (TCG)
Transportation Insight, Inc.
Transportation Management Associates, Inc.
Transportation Resources, Inc.
Transportation Solutions, Inc. (TSI Logistics)
Transportation Specialists Group, Inc., The
Transpro
Transx, Ltd.
Tredgear Corp.
Trek, Inc.
Trendset Inc
Trinity Transport
Tri-State Packaging and Distribution
Trivest Partners, LP
Tropical Shipping
Tucker Company
Turf Products Corporation
TVC Communications
Twin Modal, Inc.
Tyres International, Inc.
U. S. Manufacturing Corporation
U.S. Autoseat Covers, LLC
U.S. Cotton
U.S. Foodservice, Inc.
U.S. Smokeless Tobacco Company
UCC c/o Coastal Freight Management
Uline, Inc.
Ultra Flex Packaging Corp.
Unicity Integrated Logistics, Inc.
Unilever Bestfoods
Unique Industries, Inc.
United Methodist Publishing House
United Refrigeration, Inc.
United States Can Company
Universal Manufacturing Company
US Fence, LLC
US Filter Corp.
US Traffic
USC Intermodal Services, Inc.
Valendrawers, Inc.
Value City Dept Stores
Van Melle USA, Inc.
Van Sickle Paint Mfg.
Vantage Logistics, Inc.
Vascor, Ltd.
Velocity Logistics, Inc.
Velux-America, Inc.
Verbatim Corp.
Vertical Synergies, Inc.
Vexure, Inc.
VF Jeanswear, Inc.
Vi-Jon Labs
Villa Lighting Supply
Virtual Transportation Management
VTech Innovations, L.P.
W. M. Barr
WABCO
Wacker Corp.
Washington Penn Plastic Company
Washington State University
Watermark Paddlesports, Inc.
Watts Regulator
Waxman Consumer Products Group, Inc.
Wellman, Inc.
Wellis Manufacturing Corp.
West Pharmaceutical Services, Inc.
Westminster Cracker Company, Inc.
WestPoint Stevens, Inc.
Wetherill Associates, Inc.

Associate Members (cont.)

Whirlpool Corporation
Williams & Associates
Williams-Sonoma, Inc.
Windsor Door
Windy City Wire
Wolf Range Company
Wolverine World Wide Inc
Wood Group - ESP
Woodcraft Supply Corporation
Wooster Brush Company, The
Workflow One
World Logistics Group, Inc.
Worldwide Flight Services
Worthington Cylinders
Wyeth
XL Screw Corporation
Xpress Global Systems, Inc.
Yamaha Motor Corporation, USA
YKK AP America
Yokohama Tire Corporation
Zatarain's
Zebra Technologies Corporation
Zeochem LLC
Zimmer Inc.

Alliance Partners (105)

(Partial Listing)

ABM Transportation
AccuSHIP
ARZOON
ASKK Technologies
Aurora Software
Carrier Logistics, Inc.
Cass Information Systems
Cendian
ConnectShip (Tandata)
Creative Systems Corporation
DesCartes
DotCom Technologies
DPS Software Systems
Fascor
Freightquote
Global Logistics Technologies (G-Log)
Group Transportation Services
HighJump
i2 Technologies
JD Edwards World Solutions Company
Kewill
LeanLogistics
LogicTools
Logility
Logistics Management Services
Maddocks
Manhattan Associates
Manugistics
MercuryGate International
Neopost
Nistevo
NTE
Optum
Pinnacle Distribution Concepts(FreightLogic)
Pitney Bowes Distribution Solutions
Radical Logistics
RedPrairie
SAP America
SSA Global / Baan
ShipLogix
Synergistic Systems
Tell Systems
Transcore
Transportation Costing Group (TCG)
Transportation Technology Group/LLC

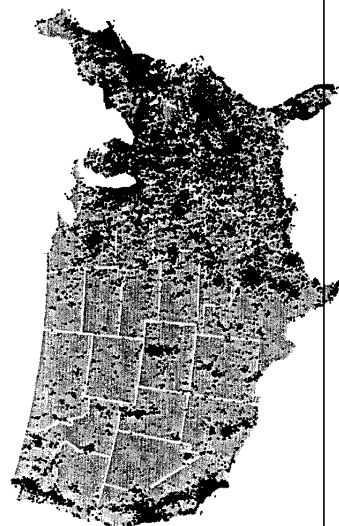
Appendix B

SMC Membership
 U.S. Distribution 2004

- Associate Members
- Carrier Members



U.S. Population Distribution 2000



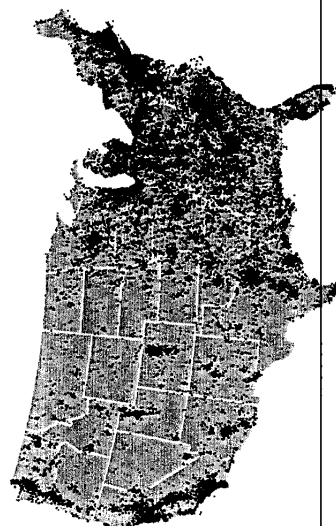
The maps demonstrate that the geographic distribution of the SMC membership directly correlates with the United States population distribution

Appendix C

SMC Customers
● Active Customer Location(s)
U.S. Distribution 2004



U.S. Population Distribution 2000



The maps demonstrate that the geographic distribution of SMC customers directly correlates with the United States population distribution

SMC³ CATALOG 2004

TECHNOLOGY TOOLS
FOR TRANSPORTATION®

CzarLite™ Base Rates
Benchmarking Products
Points of Service/Transit Times
RateWare® Engines
LTL Pricing Modules
Internet & Intranet Tools
Developer Tools
Software APIs
Mexican Rates
Classification & Packaging Software
Software as a Service
Software Alliance Programs





Founded in 1935, SMC³ is a leading nationwide provider of technology tools for transportation. SMC³ enables its customers to achieve greater success in the marketplace by supplying advanced technology tools, superior data management services and smart processes that ensure the accurate and timely availability of pricing information throughout the transportation community.

SMC³ continuously channels its collective expertise in, and commitment to, the transportation community by:

Producing and distributing high-quality technology products and dependable services.

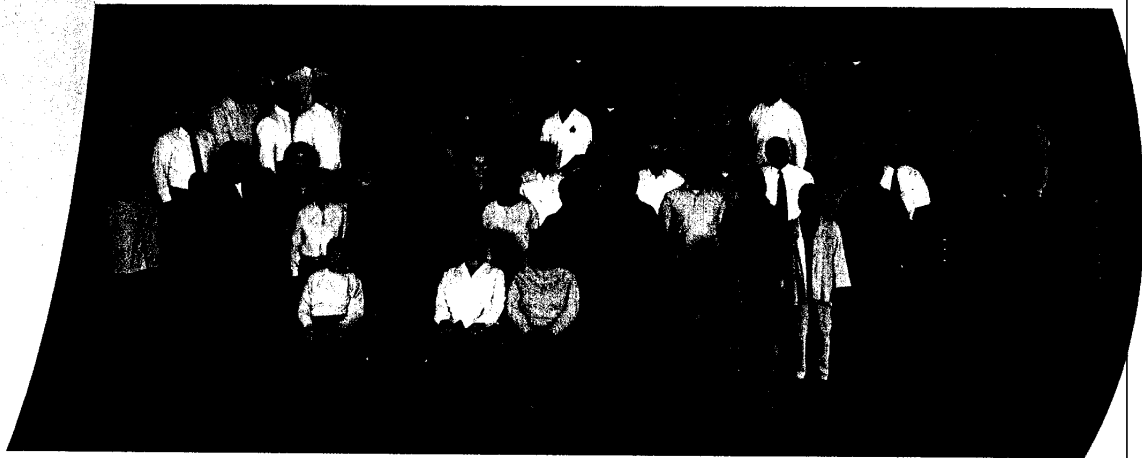
Providing venues and events, such as educational forums, round table discussions, legislative updates and economic forecasts relative to the needs of the industry.

Creating and fostering industry-related associations such as the Transportation Sales and Marketing Association (TSMA) and the Loss Prevention Conference (LPC), to improve the flow of communications and information for specialized segments of the industry.

Recognizing, rewarding and strengthening the talents and successes of employees while meeting the overall operational responsibilities as outlined by the SMC³ Board of Directors.

Facilitating operational improvements and efficiencies through quality assessment and training.

SMC³ is committed to remaining in the forefront of cutting edge technology, through a dedicated staff and partnerships with leaders in the industry. We presently serve more than 5,000 customers throughout North America, and we look forward to serving you.



CzarLite™ Family

Overview

For more than 15 years, CzarLite™ base rates have been the focal point for successful shipper, carrier and third party transportation agreements. CzarLite base rates combine an intelligent and fair pricing system with a full line of related products that can be easily implemented in mainframe, PC, UNIX, AS/400 or iSeries, and Internet-based applications.

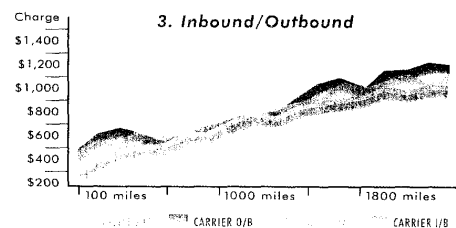
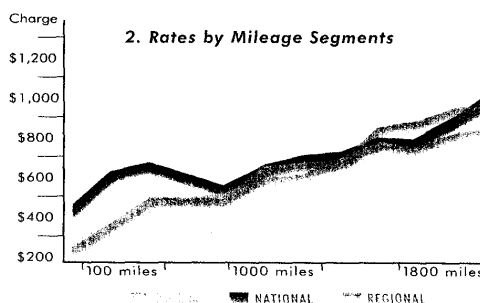
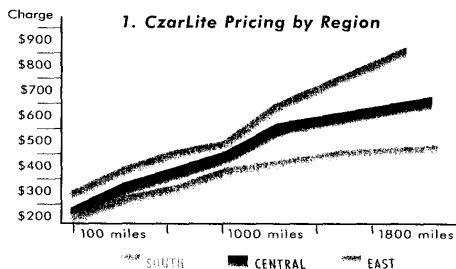
The CzarLite pricing system is the basis for thousands of LTL contracts that annually account for over \$10 billion in managed transportation. CzarLite pricing products are licensed to over 400 carriers, including all 50 of the largest national, multi-regional and regional LTL carriers.

Individual shippers, who are the ultimate consumers of transportation services, provide the best insight into the widespread use of CzarLite. Shippers of all sizes, from the Fortune 500 to the casual and infrequent shipper, utilize CzarLite information to make informed LTL purchases. These shippers act both directly and indirectly through their technology software and transportation intermediaries. CzarLite has been licensed to over 1,000 shippers, including over one-third of the Fortune 500 companies.

On the opposite end of the Fortune 500 size equation, CzarLite is used to represent the LTL buying interest of thousands of small, occasional LTL shippers through the on-line services of companies who aggregate the buying power of these small shippers into powerful negotiation bodies that rely on CzarLite base rate pricing and technology. These and other organizations representing small shippers account for over \$100 million in annualized transportation purchases.

When you select CzarLite as your LTL pricing standard you adopt standard data structures for your information technology needs, leading to rapid implementation of systems and productivity gains for your IT department. Your technical experts will choose the CzarLite technology that best integrates the data with the systems that drive your order processing, distribution, freight payment and other logistic and accounting systems. SMC³ has technology and software available for use with PCs, networks, mainframes, AS/400, UNIX and Internet/intranet. This technology helps eliminate paperwork and redundant procedures for entering and processing information.

Creating the LTL pricing benchmark is only part of the task. Making it useable throughout the myriad of technical systems and business software applications is the other challenge. SMC³ delivers on its promise through its Software Alliance Program (see page 3). This special group of transportation technology leaders not only uses and supports SMC³ technology, it also serves as subject matter experts, thought influencers and advisors on how SMC³ can address the ever-changing challenges of technical implementation. One measure of the success of this relationship with the technology community is the widespread implementation of SMC³'s LTL pricing technology through its customer base.



Contact us at info@smc3.com for a comprehensive white paper on CzarLite and a comparative analysis on key components of the pricing system.



CzarLite™ LTL BASE RATE FOR SHIPPERS

The following information about our CzarLite family of products will help you make the best decision for the standardization of your LTL pricing data and technology.

Getting Started

When you select CzarLite as your base rate for your transportation RFP (request for proposal), you proceed with the confidence that your selection is the industry standard. Independent analysis has measured that CzarLite is used annually as the base for over \$10 billion of LTL transportation, more than any other base and continually growing.

STEP 1: OBTAIN YOUR CZARLITE BASE RATE LICENSE

Getting started with CzarLite is easy. Our license to use CzarLite as a base rate is scaled to the size of your business (measured in annual revenue). See the pricing chart on this page for details.

Each CzarLite base rate license includes:

1. A single-user copy of CzarLite PC or a CzarLite data module for RateWare®, and
2. An Associate Membership (see page 2) with SMC³.

The PC technology is a fully functional, yet simple method for managing and evaluating your transportation bids, and the Associate Membership provides you with many valuable informational and educational tools throughout the life of your CzarLite agreement. For additional rating systems, see page 11.

CzarLite (U.S. to U.S.)

CzarLite pricing has been used in thousands of national and regional LTL contracts. Geographic components in CzarLite assure that whether your shipments are short haul or long haul, regional or national, you will be using pricing levels from the competitive markets of carriers handling similar shipments within U.S. to U.S. points of service. This prevents any individual carrier's operational and marketing bias from overtly influencing the pricing system.

CzarLite's pricing takes a broad view of pricing trends and incorporates changes into its base only when they are demonstrated as applying to the U.S. LTL market in general. This hybrid base of LTL rates reflects marketplace pricing and eliminates the local premiums, lane adjustments and directional rates that are common in carrier systems.

For a comprehensive white paper on CzarLite base rates, please go to www.smc3.com.

CzarLite Pricing (U.S. to U.S.)

Annual Sales Revenue	Annual License Fee
< \$50 million	\$995
\$50 > \$500 million	\$1,600
\$500 > \$1 billion	\$2,500
\$1 > \$5 billion	\$3,500
\$5 > \$10 billion	\$5,000
\$10 + billion	Quote

 The above pricing applies to shippers using CzarLite as a base rate for transportation agreements. For carrier, 3PL and service bureau licensing, contact SMC³ Sales at 800.845.8090 for quote.

CzarLite International

SMC³ also offers CzarLite International for projects requiring base rates for international traffic between the continental U.S. and all of Canada. These rates are compatible with the CzarLite rate levels and structures and are fully integratable with the technology that follows. The data covers all points in the continental U.S. and the Canadian Provinces. Class, weight and minimum charge structures have been equalized so that both CzarLite and CzarLite International use the same rating and classification logic.

CzarLite International Pricing (U.S. to U.S. and U.S. to Canada)

Annual Sales Revenue	Annual License Fee
< \$50 million	\$1,595
\$50 > \$500 million	\$2,500
\$500 > \$1 billion	\$3,500
\$1 > \$5 billion	\$5,000
\$5 > \$10 billion	\$7,000
\$10 + billion	Quote

 The above pricing applies to shippers using CzarLite International as a base rate for transportation agreements. For carrier, 3PL and service bureau licensing, contact SMC³ Sales at 800.845.8090 for quote.

NEW CzarLite Base Rates for the Mexican Marketplace

SMC³ developed its "south of the border" CzarLite rates by adding Mexican rates to the standard CzarLite U.S. rates. That is, a shipment between any U.S. point and a Mexican border crossing point continues to move under the standard, established CzarLite rates, while the distance from the border crossing point to the Mexican destination determines an applicable rate for the Mexican portion of the move. The structural characteristics of these "Mexican" rates are identical to CzarLite's southern U.S. rates.

The CzarLite rate derived from the U.S. portion of the move is added to the distance-derived rate from the Mexican portion of the move. This combination (through) rate is then used to rate the shipment. The carrier applies their discount to the through rate, which allows one overall level of discount to apply to the U.S.-Mexico shipment.

While the pricing is actually developed in two segments, the shipper-customer only sees a "door-to-door" rate; when a shipment is rated, the shipper is presented the through base rate, less the applicable discount. This approach is typical of the CzarLite rating methodology and fulfills the requirements for a borderless baseline pricing system.

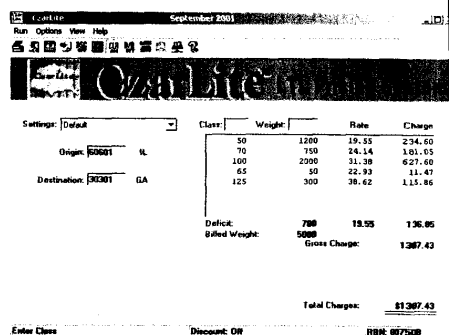
SMC³ has created four products that combine CzarLite rates with the Mexican rates:

- MexicoLite™ - For shipments between the U.S. and Mexico.
- CzarLite International Mexico - For shipments within the U.S. and between the U.S. and Mexico.
- CzarLite International Plus - For shipments within the U.S., between the U.S. and Mexico, between the U.S. and Canada, and between Canada and Mexico.

MexicoLite Pricing (U.S. to Mexico)

Annual Sales Revenue	Annual License Fee
< \$50 million	\$995
\$50 > \$500 million	\$1,600
\$500 > \$1 billion	\$2,200
\$1 > \$5 billion	\$2,800
\$5 > \$10 billion	\$3,400
\$10 + billion	Quote

 The above pricing applies to shippers using MexicoLite as a base rate for transportation agreements. For carrier, 3PL and service bureau licensing, contact SMC³ Sales at 800.845.8090 for quote.



Class	Weight	Rate	Charge
50	1200	19.55	234.60
70	110	24.14	1.01.65
100	2900	31.39	627.60
125	50	22.93	11.47
125	300	38.62	115.86

Deficit: 799 19.55 136.05
 Silled Weight: 5099
 Gross Charge: 1367.43

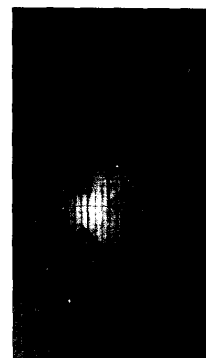
Total Charges: 1367.43

Enter Class Discount: ON RBR: 007500

CzarLite Windows primary rating screen

"As a 3PL, we have used CzarLite in hundreds of national and regional contracts with LTL carriers. It offers an intelligent and fair base rate in order to conduct contract negotiations. With CzarLite base rates, we have been able to save hundreds and even thousands of dollars for our customers."

Andy Dyer, Director of Transportation,
 Menlo Logistics



CzarLite International Mexico Pricing (U.S. to U.S. and U.S. to Mexico)

Annual Sales Revenue	Annual License Fee
< \$50 million	\$1,595
\$50 > \$500 million	\$2,500
\$500 > \$1 billion	\$3,500
\$1 > \$5 billion	\$5,000
\$5 > \$10 billion	\$7,000
\$10 + billion	Quote

 The above pricing applies to shippers using CzarLite International Mexico as a base rate for transportation agreements. For carrier, 3PL and service bureau licensing, contact SMC³ Sales at 800.845.8090 for quote.

CzarLite International Plus Pricing (U.S. to U.S., U.S. to Mexico, U.S. to Canada and Canada to Mexico)

Annual Sales Revenue	Annual License Fee
< \$50 million	\$2,500
\$50 > \$500 million	\$4,000
\$500 > \$1 billion	\$5,500
\$1 > \$5 billion	\$7,500
\$5 > \$10 billion	\$9,500
\$10 + billion	Quote

 The above pricing applies to shippers using CzarLite International Plus as a base rate for transportation agreements. For carrier, 3PL and service bureau licensing, contact SMC³ Sales at 800.845.8090 for quote.

For a comprehensive white paper on CzarLite base rates for the Mexican Marketplace, please go to www.smc3.com.

"CzarLite is a major package that has made customer-carrier relationships more compatible."

Paul Weaver, VP, Pricing/Traffic
Watkins Motor Lines

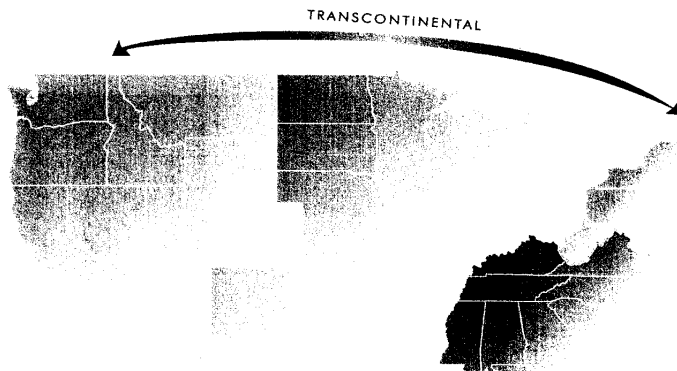
STEP 2: DETERMINE THE CZARLITE TECHNOLOGY REQUIREMENTS

Your annual CzarLite base rate license includes a single-user Windows Rating System. For additional technology requirements you may select from the listings below. For custom data configurations or interfaces to your vendors' software, contact sales at SMC³ by emailing sales@smc3.com or calling 800.845.8090.

CzarLite PC/Windows

The CzarLite PC rating system is an extensive software program for managing LTL pricing from multiple carriers in your transportation bid or RFP process. In addition to the LTL rating function, the system provides custom setup capabilities for managing individual carrier pricing agreements. The system is simple to use and has several default settings that allow you to optimize the programs to the way you work. Tools include popup windows for displaying rate blocks, and weight alternation. CzarLite PC has an extensive help database with files geared toward all user levels. The result is a better understanding of the steps involved in rating freight shipments.

For projects requiring analysis, the system allows you to capture individual shipment records for importing into your spreadsheet and database programs. You can also save individual transaction images to a file. Both are excellent methods for carrier bid analysis and support of freight audit, payment, quote verification and billing functions.



CzarLite Regions:

-  NORTH EAST
-  MIDDLE WEST
-  SOUTHERN
-  WESTERN

For more information, please contact:

SMC³ Sales

CzarLite PC/Windows Pricing

One PC/Windows rating system is included with your purchase of a CzarLite base rate license.

	CzarLite (U.S./U.S.)	CzarLite International (U.S./U.S. & U.S./Canada)	CzarLite International Plus (U.S./U.S., U.S./Mexico & Canada/Mexico)
Cost per each add'l user	\$600	\$1,155	\$1,450
Network Pricing			
2-5	\$1,750	\$2,750	\$3,200
6-10	\$2,900	\$3,900	\$4,500
11+	\$260 ea.	\$350 ea.	\$400 ea.

 The above pricing reflects additional shipper-users using CzarLite as a base rate for transportation agreements. Pricing does not include the necessary CzarLite base rate license (see page 8). For carrier, 3PL and service bureau licensing, contact SMC³ Sales at 800.845.8090 for quote.

CzarLite Mainframe

This rating engine runs on IBM Mainframes. It contains a series of program modules, which can be linked to existing programs to handle LTL rating requests, or used in a CICS environment for online and interactive rating and discounting sessions. The Mainframe system is delivered with source code and CzarLite rates. Maintenance is provided for the programs and data through batch procedures that allow supplement changes to the VSAM dataset. Maintenance options to the data include rate increases and ZIP code updates or ZIP updates only.

CzarLite Mainframe Pricing

Installation Year	\$13,860
Includes maintenance and support	
Each Additional Year	\$3,049
Includes maintenance and support	

NOTE: Pricing does not include the necessary CzarLite base rate license (see page 8)

CzarLite AS/400 or iSeries

The CzarLite engine for the IBM AS/400 or iSeries includes three components: (1) a rating engine to integrate with your existing programs through a simple program call, (2) a stand-alone front end to allow any user on your system to request rates through a rating panel, and (3) the CzarLite rates to meet your computing requirements. The system ships as a completely functional library including all objects and databases, with a comprehensive technical manual. Currently versions V3R1M0 and higher of the IBM OS/400 operating system are supported and maintenance is available to both the programs and database.

CzarLite AS/400 Pricing

Installation Year	\$8,394
Includes maintenance and support	
Each Additional Year (Rate & ZIP Updates)	\$1,847
Includes maintenance and support	

NOTE: Pricing does not include the necessary CzarLite base rate license (see page 8)

CzarLite HP-UX

This CzarLite technology runs as shared objects on the popular HP systems using HP-UX Version 11, 64 bit. This technology is designed to work as a part of your overall computing system by supplying LTL rated shipments to transportation and business related processes. The computing cycle requires you to gather detailed shipment information from your in-house system, place that information into the correct API, then call the CzarLite shared object. Upon return to your in-house system, the API will contain the rating results ready to use in your system.

CzarLite HP-UX Pricing

Installation Year	\$13,860
Includes maintenance and support	
Each Additional Year	\$3,049
Includes maintenance and support	

NOTE: Pricing does not include the necessary CzarLite base rate license (see page 8)

 For Commercial and Internet pricing on SMC³ products, contact SMC³ Sales.

CzarLite Linux

This CzarLite technology is designed to run under a 32-bit Linux operating system. CzarLite Linux allows you to integrate LTL transportation pricing into your internal or external vendors' transportation and business computing processes. The system's computing cycle requires you to gather detailed shipment information from your in-house system, place that information into the correct API and then call the CzarLite shared object for the retrieval and calculation of transportation pricing. Upon completion the API is returned to your in-house system and contains the ready-to-use rating results. CzarLite Linux is distributed with complete documentation, programming instructions and test files.

CzarLite Linux Pricing

Installation Year	\$8,394
Includes maintenance and support	
Each Additional Year	\$1,847
Includes maintenance and support	

NOTE: Pricing does not include the necessary CzarLite base rate license (see page 8)

 For Commercial and Internet pricing on SMC³ products, contact SMC³ Sales.



CzarLite Online

SMC³'s CzarLite software can now be obtained directly over the Web. The online distribution environment enables you to license, access and run CzarLite via the SMC³ Website, www.smc3.com. CzarLite's online rating system includes applications for discounting, including carrier-specific settings, accessorial charges and fuel surcharges. The system can be run directly from the SMC³ site or linked to your site for use within your company intranet. As an additional feature, a private label version of the software can be customized with your company logo and set up to manage your LTL transportation pricing programs based upon your carrier-specific information.

For additional information and pricing go to page 36 in this catalog or visit us online at www.smc3.com.

Additional Technology for CzarLite

COM Object Computing for CzarLite

SMC³'s RateWare COM is a Microsoft COM-compliant object, and it is the product to use for integrating CzarLite data into outside vendors' software or within your own in-house applications. This object is extremely small, fast and efficient. The design is fully self-contained, which technically means that the target machine does not require any additional files or DLLs to register and work. From a non-technical viewpoint, this means that the system can easily integrate with your existing programs using simple techniques and minimal time requirements.

For additional information about this technology, see *RateWare COM Object Technology*, page 33.

Server-Based Computing for CzarLite

SMC³'s RateWare Server allows you to easily integrate CzarLite rating data into your network. The application runs on a server attached to your Ethernet network software. RateWare uses TCP/IP and Windows Sockets technology to interface with various client applications requiring transportation pricing and then distributes that information over your company network. The RateWare Server system comes with a complete set of tools for integration, a development COM object, a comprehensive user manual, detailed transaction layouts and test programs to help you develop and maintain your system.

For additional information and pricing see *RateWare Server Technology*, page 30.

CzarLite for e-Commerce

No area of the economy demands standardization of transportation pricing more than e-commerce applications. Internet-based transportation strategies require pricing simplification for an easy comparison of carriers and modes, and to rapidly implement changes and simplify shipper RFP processes. Buyers and sellers of LTL transportation on the Internet expect individual transactions to be simple, consistent and accurate each and every time.

Since you can rapidly implement and modify CzarLite pricing agreements, you can provide your customers with instant and easy-to-compare transportation price options. Best of all, since CzarLite is the existing standard for hundreds of shippers, you can implement your online application with the understanding that your transportation pricing already meets many corporate standards.

Pricing for an e-commerce application is based upon the characteristics of the business plan, the rating request volume and the methods used to enroll and password-protect users of the site. Information is obtained through a simple interview form and consultation with our sales department.

For pricing and a complete proposal, contact the SMC³ e-commerce sales representative at 800.845.8090.

NEW CzarLite RFP

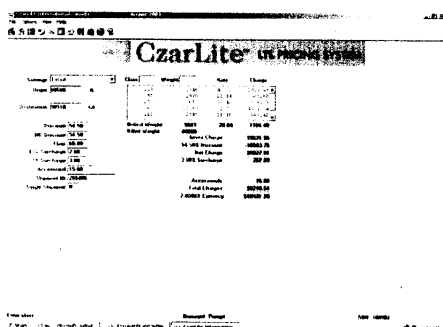
SMC³ introduces an Internet-based bid package solution designed to collaboratively facilitate and manage a synergistic bid process between shippers and carriers. Now you can conduct your request for proposals (RFPs) in a straightforward and simple manner using CzarLite as your base tariff. See page 42 for details.



"We have licensed CzarLite from SMC³ since 1996. We have found this to be an excellent product, and the service that SMC³ provides to both our company and our customers is *Over The Top.*"

Jim Merryman, Traffic Manager
Circle Delivery Service

Shippers using CzarLite as a base rate can access the data via the Internet.



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Shippers using CzarLite as a base rate can access the data via the Internet.

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CzarLite and Truth-In-Rates

The Truth-In-Rates (TIR) requirement recently established by the Surface Transportation Board (STB) creates an opportunity for awareness that will benefit shippers of all types and sizes. Simply stated, TIR requires that carriers participating in "bureau rates," which includes SMC's CzarLite, notify their shipper-customers of the range of discounts provided under these rates. This notification ensures that shippers of all degrees of sophistication are aware of prevailing carrier-shipper pricing practices. The natural consequence of this awareness is that these consumers of transportation services will be motivated to "shop around" for the pricing and service levels that best meet their requirements.

CzarLite and Shipper Agreements

When a shipper selects CzarLite as the base rate for their carrier LTL agreements, they are assured of an industry standard system that integrates analysis, implementation and support functions into a comprehensive pricing solution. Because it is an industry standard, LTL carriers have completely integrated CzarLite into their business and pricing systems and are able to price shipments with accuracy and consistency.

CzarLite is utilized as a base rate for discounting by many members of prominent shipper organizations, such as NASSTRAC, NITL and TCPC. While the larger shippers license CzarLite for their own use in LTL carrier relations, thousands of small shippers are able to aggregate their shipments through third party relationships into powerful purchasing potential, also using CzarLite as the base rate. In both cases, these shippers and intermediaries selected CzarLite only after a careful analysis and review of other alternatives, including individual carrier rates and other industry base rates.

Unlike many other forms of class rates, CzarLite is available to these shippers and their intermediaries under a license agreement that allows the shipper to use them as their LTL base rate. This licensing requirement ensures that the shipper has made a definitive decision regarding the value in using these rates with their carriers. With the new TIR requirements, the shipper will have additional and crucial information regarding prevailing pricing levels.

Carriers and CzarLite

The best agreements between shippers and their carriers are formed from a base of solid information and cooperation. While providing the TIR notice may prompt a shipper to shop around, the carrier that provides this information along with a meaningful dialog on how to interpret it can command more respect than carriers unwilling or not required to supply it. Ultimately, the carrier that communicates fully while combining competitive pricing with the corresponding levels of required transit time and information services will win the bid.

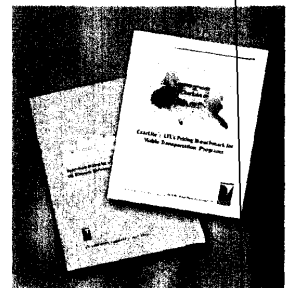
Carriers who bid their services to shippers using CzarLite create a common language between themselves and the shipper, because the uncomplicated pricing system promotes a shared understanding of net rates. With pricing confusion eliminated, trust is built between the carrier and their shipper-customer. Shippers will come to these carriers with confidence, knowing that they've established a true partnership.

A Win-Win for Shippers and Carriers

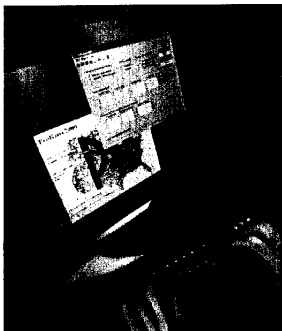
Unlike an individual carrier's system, CzarLite data is a market-based price list derived from studies of LTL pricing on a regional, interregional, national and international basis. It provides transportation professionals access to a single, common baseline from which to conduct business. CzarLite provides both a base-rate schedule and a discount system that is comprehensive in application yet easy to set up and administrate, making it the best means for "apples-to-apples" comparisons between negotiated rates.

To comply with TIR, SMC³ will provide all licensed users of CzarLite with information regarding the market basket range of discounts along with easy to understand information on how to interpret and understand these discounts. This TIR information will be updated on an annual basis and it will be a standard practice to include it in the distribution of all CzarLite technology and data products.

CzarLite is well ingrained in the transportation matrix, serving the shipper as a valuable benchmark for LTL pricing. With the STB's new truth-in-rates initiative, SMC³ and its member carriers will provide valuable information for shippers to make well informed, meaningful decisions regarding their company's transportation purchases — and carriers will form lasting relationships with their valued customers. ▼



For more information about Truth-In-Rates and SMC's annual General Rate Increase (GRI), go to www.smc3.com to download our most recent white papers, or call us at 800.845.8090.



Overview

From transportation pricing and data to technology development and support, SMC³ is recognized as the leading LTL pricing and routing technology provider in the industry. We develop and support easy-to-use transportation data and pricing information systems for a community of more than 5,000 carriers, shippers and third party logistic providers.

Whether you are a carrier, shipper or software developer, our product family includes a wide variety of rating software, routing and scheduling tools. All of our software products and services are designed for flexibility and can be easily tailored to meet the specific needs of your company.

Carrier Benefits

SMC³ offers a suite of pricing and routing tools to keep carriers on the leading edge of technology. Carriers utilize the software for billing, freight auditing and payment, classification lookups, and in negotiating agreements for interline shipments.

ProRater2000™ (PR2000®) is the carrier's next-generation revenue division product. PR2000 is a well-designed and integrated family of data and software products that improve the speed and accuracy of prorating interline shipments while simplifying pricing in carrier partnership agreements. PR2000 offers an easy-to-use guide for revenue division on all points between the U.S./U.S., U.S./Canada, and Canada/Canada as well as all valid ZIP and Postal Codes.

Shipper Benefits

SMC³ offers LTL shippers a variety of technology tools that aid in the carrier selection process. Priority1®, an LTL carrier selection program, integrates CzarLite™ LTL pricing levels with the points of service, transit times and terminal information of specific carriers. This combination of base pricing with carrier points of service and transit times is a crucial component in the carrier selection process. Priority1 offers automated decision making that provides access to extremely accurate routing and rating information.

SMC³'s BatchMark® product is a simple batch processing and benchmarking tool that utilizes a spreadsheet interface. BatchMark allows you to rate or re-rate multiple bills for bid processing and analysis. This tool draws key information from your database containing shipment records and applies various LTL rates to those shipments. You can then use those rates for carrier billing, freight payment and logistics analysis.

CarrierConnect™, the industry's first integrated routing and scheduling software, combines all the content of traditional industrial publications, carrier service directories and in-house systems, creating one easy-to-use system. CarrierConnect provides purchasing, traffic and logistics professionals with immediate access to carriers' operational capabilities, points of service, transit times and detailed contact information.

SMC³ distributes the National Motor Freight Classification (NMFC) book through an exclusive agreement with the American Trucking Associations (ATA). Since its inception in 1936, the NMFC has been the trucking industry's standard reference guide to commodity classification for freight shipments. No other publication carries this status nationwide among both carriers and shippers. The NMFC greatly simplifies the process of pricing the thousands of products moving in today's marketplace by grouping commodities into one of 18 classes based on an evaluation of their density, stowability, ease of handling and liability to the carrier.

FastClass® is the CD form of the National Motor Freight Classification (NMFC) book. The CD format enables you to quickly search the classification listings to find exactly what you are looking for. FastClass includes a complete cross-reference to all applicable rules, notes, packaging and carrier listings. The FastClass product is updated several times a year, coinciding with each NMFC supplement. These timely updates guarantee that you have the most accurate and up-to-date source of NMFC information.

**IV.
Statement
of
Daniel M. Acker
Vice President, Operations**

Statement
of
Daniel M. Acker

My name is Daniel M. Acker. I am employed as the Vice President of Operations of Southern Motor Carriers Rate Conference, Inc. (SMC) located at 500 Westpark Drive, Suite 300, P.O. Box 2040, Peachtree City, GA 30269. Previously I was SMC's Vice President of Planning and Analysis. In all, I have been employed by SMC for over 25 years. My professional qualifications include being a registered practitioner before the Interstate Commerce Commission, now the Surface Transportation Board, and a Certified Public Accountant. My formal education includes the degree of Bachelor of Business Administration with a major in accounting, and the degree of Master of Professional Accountancy granted me by Georgia State University in 1972 and 1974, respectively.

Prior to my employment at SMC, I was a member of the professional staff of a certified public accounting firm, working with the private sector of industry as an internal auditor. I was also employed in various capacities by Refrigerated Transport Incorporated of Forest Park GA, an irregular route special commodity motor carrier.

I have also been employed in the trucking industry by Georgia Highway Express, Central Freight Lines and Viking Freight in the areas of operations, costing and pricing.

I have testified on matters of motor carrier costing before the Georgia Public Service Commission, North Carolina Utilities Commission, South Carolina Public Service Commission, the Tennessee Public Service Commission, and the Interstate Commerce Commission.

Through my education and work experience, I have gained expertise in all areas of statistical data utilized within the motor carrier industry, including the areas of operations, finance, accounting, cost accounting and pricing.

FORWARD

The purpose of this statement is to address the information and pricing needs of the motor carrier industry in today's marketplace. The regional nature of the U.S. economy has matured into a national and international economy. The full impact of the Interstate Highway System has allowed the Less-than-Truckload (LTL) transportation industry to provide seamless door-to-door delivery in an efficient and timely basis. Motor Carriers that once served the public on a regional basis now serve the public on a nationwide basis relying on their partnerships with other carriers and their own expanded service area to meet their customers' needs. At one time most, if not all, of SMC's Member Carriers were domiciled within the SMC ratemaking territory, with SMC supplying their data, pricing, and technology services. Today many of our members are domiciled outside of our ratemaking territories and can no longer rely on SMC for the complete package of services they previously enjoyed. The once regional nature of SMC operations has transcended to the national needs of the motor carrier industry, the regional ratemaking territories must be patched together like a quilt to provide the full breath of services this industry needs for conducting a seamless operation.

SMC's COSTING AND PRICING RESPONSIBILITIES TO ITS MEMBER CARRIERS AND THE INDUSTRY

SMC's 125 motor carrier members range in size from the very small motor carrier to carriers with over one billion dollars in revenue. SMC, at the direction of the General Rate Committee (GRC), and in keeping with the procedures approved in SMC's Section 5a Agreement, announces and conducts public meetings where shippers, carriers and other interested parties can meet and discuss collectively determined joint line rates and charges on traffic moving in SMC's collective ratemaking territories. Again, at the direction of the GRC, SMC staff prepares and presents exhibits pertaining to general rate increases, rate restructures and other rate-related matters. All meetings are open to the public and are held with legal counsel in attendance to ensure all discussions and activities are in accordance with STB directives, and the requirements of our by-laws and the antitrust laws.

SMC's FACT-BASED, GENERAL RATE INCREASE PROPOSALS

Prior to the demise of the ICC, Ex Parte No. MC-82 was the primary methodology by which carriers could justify General Rate Increases. The various aspects of motor carrier financial data, cost-of-service and computation of rate scales have been documented and honed to perfection over the last 50 years. These concepts while they may appear dated are, like, Luca Pacioli's book on double entry accounting that was published in 1494, the cornerstones of motor carrier ratemaking and still apply today.

SMC's CARRIER COST INDEX (CCI)

Since 1995, when the costing principles in Ex Parte No. MC-82 were no longer required, along with the criteria for determination of general rate increases, there has not been an agency-prescribed method to aggregate data pertaining to the expense increases faced by the LTL carriers. Motor carrier costs involve numerous inputs that are unique to the motor carrier industry and the actual carriers involved. These costs can be broken down into two major categories namely, labor and labor-related costs and non-labor costs. The trucking industry currently and historically has been a very labor-intensive industry. Most of the productivity increases have been effectuated by improvements in technology and the design of more efficient, lighter and larger capacity equipment.

To fill this void in cost-based pricing SMC, in 1999, pioneered and developed the Carrier Cost Index (CCI) utilizing its knowledge base and its subject matter expertise to create a process to address and quantify the impact of changes in the various categories of LTL carrier expenses.

The CCI is a defined process of gathering, quantifying, analyzing and applying both industry specific and public information that creates a reliable index for the expense increases the SMC carriers have experienced during the study period, and provides an accurate indicator of anticipated expenses.

LABOR IN THE SMC CCI

Exhibit 1, is a presentation that is indicative of the motor carrier expenses of SMC carriers. As can be seen, labor accounts for approximately 64% of the total expenses, while non-labor expenses account for the balance of 36%. Labor expenses comprise a large part of a carrier's total expense. Labor expenses, like many others, have a tendency to change over time. To quantify these changes the SMC CCI utilizes a comprehensive Annual Labor Survey. As mentioned above, labor is a major portion of an LTL motor carrier's expense. The Annual Labor Survey utilized by SMC provides participants with the ability to segregate their labor expenses into their functional component parts. Each labor account from the president to casual labor is addressed individually as to the relative share of labor expense and the impact of any labor rate adjustments for union as well as non-union labor. Federal and State employer taxes, group insurance, pension and retirement plans and other Fringe Benefits are also quantified and addressed individually. The net result is a very accurate and timely update of the participants' labor and labor-related expenses based on the most current data available.

NON-LABOR EXPENSES IN THE SMC CCI

Non-labor expenses cover the balance of items consumed by the motor carrier in providing transportation services, Exhibit 2 lists the non-labor accounts utilized by LTL carriers. As can be seen, the typical motor carrier utilizes a number of different types of supplies. Updating each individual expense would be extremely time consuming and cumbersome. However, there are legitimate alternatives to that computation, such as using appropriate indices to accomplish that same goal.

The use of indices to approximate the increase in non-labor expenses in the motor carrier industry is not new. In fact, it is an acceptable alternative to actual expense increases, provided the proper index is used to update the appropriate expense. Two indices designed and maintained by the government have been incorrectly touted as legitimate measures of the allowable increases in motor carrier rates. These two indices are the Consumer Price Index (CPI) and the Producers Price Index (PPI).

The CPI measures the average change in the prices paid for a fixed market basket of goods and services. These baskets are items purchased for consumption by two groups: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers (CPI-W). Escalation agreements often use the CPI—the most widely used measure of price change—to adjust payments for changes in prices. Categories in the CPI include food and beverage, housing, apparel and medical care, to name a few.

Because the CPI is a statistical average, it does not reflect expenditure patterns that differ substantially from the "average" urban consumer. It may not be a perfect or even a realistic reflection of an individual consumer's price expenses, but it is the most economically feasible method for providing a statistic that is the most useful in all its general applications. Nevertheless, the market basket of the CPI does not reflect the purchases made by motor carriers, and will not accurately reflect increases in carrier

labor and non-labor costs. Exhibit 3 has been constructed detailing the expenditure categories for both the CPI-U and CPI-W.

The PPI is a family of well-known indices that measures the average change over time in the selling prices received by domestic producers of goods and services. That index measures price change from the perspective of the seller. Over 10,000 PPIs for individual products and groups of products are released each month. PPIs are available for the products of virtually every industry in the mining and manufacturing sectors of the U.S. economy. PPI data is widely used by the business community, as well as the government, as an economic indicator, a deflator of other economic series and a basis for contract escalation.

The PPI suffers from the same deficiencies as the CPI in relation to motor carrier labor and non-labor cost increases. These indices include many components, which have little or no bearing on trucking costs. The CPI gives principal consideration to such factors as the cost of food and beverage, including alcohol, housing, apparel, recreation, etc. The PPI includes primary elements such as cost changes in farm products, processed foods and feeds, textiles, hides and skins, chemicals, lumber and wood products. These factors do not measure the proper proportions of labor, fuel and related operating expenses which define trucking. The CPI and PPI were designed to measure the changes in two different segments of the economy for two different purposes. Exhibit 4 lists the major categories of commodities in the PPI and their relative share to the total index.

Comparison of either index to motor carrier cost increases does not provide any meaningful methodology or data for updating motor carrier labor expenses. Realistic non-labor updates cannot be achieved using the overall CPI or PPI for transportation purposes and will yield results erroneous and misleading for the motor carrier industry. Yet, application of specific indices to specific identifiable expenses does, in fact, follow the recommendations of the Bureau of Labor Statistics.

Instead, the CCI model for non-labor expenses developed by SMC is driven by the specific cost characteristics of carrier operations and the actual market basket of non-labor goods and services consumed by the motor carrier industry. Each of the non-labor expense categories is updated based on the individual specific index for the specific identifiable expense. Exhibit 5, pairs the carriers' non-labor expense accounts with the appropriate index for their restatement.

An additional advantage of the CCI is the level of detail by which individual expenses are addressed. If the carriers experience unusual increases in certain expenses, such as insurance or security, more accurate results can be obtained by the use of carrier surveys. These surveys are designed to address the specific expenses involved. They are sent to the carriers and when returned they are used as direct input to update the CCI in the specific areas of concern.

The Carrier Cost Index (CCI), unlike the CPI and PPI, utilizes the relative weights of each labor and non-labor motor carrier expense. The actual expenses of the carriers

are updated with detailed labor surveys from the SMC membership. In addition, select individual indices from the CPI and PPI, and specific carrier surveys, are used to calculate the actual non-labor cost increases on the SMC Carrier Group. The inherent detail of the CCI allows it to be a very fluid, but accurate, living index that can be used to react to, project and quantify the actual swings in motor carrier expenses as they occur.

Exhibit 6 is a comparison of the rates of increase of the CPI-U, CPI-W and the PPI for the period 1980 through 2003. It is interesting to note that the CPI-U has increased 123.3 percent since 1980. This is a full 60.3 points greater than the PPI for the same period of time. The CPI-W has increased 53.9 points over the PPI during the same time period. This only brings into view what the Bureau of Labor Statistics has always said...the CPI and the PPI were designed to measure the changes in two different segments of the economy for two different purposes. Comparison of either index to motor carrier cost increases is as invalid as the comparison between the CPI and PPI.

In summary, Exhibit 1 shows that LTL motor carrier operating costs are approximately two-thirds labor and one-third non-labor related costs. The CPI and PPI Indexes do not provide any meaningful methodology or data for updating motor carrier labor expenses. As indicated, to fill this chasm SMC pioneered and developed the Carrier Cost Index (CCI), which is a comprehensive Index that is designed to determine the rate of increase in motor carrier costs, and the amount of revenue needed for the carriers to remain viable in the transportation marketplace. The explanation above portrays the use of labor surveys, insurance surveys, increased security surveys, the quarterly report Form QFR and supplemental survey forms in conjunction with the select CPI and PPI information to provide a consistent, accurate and repeatable index for the motor carrier industry to use in maintaining their operations.

MOTOR CARRIER FINANCIAL DATA

Baselines are important and crucial to all information systems. Measurements, to be meaningful, must be related to a baseline or point from which change can be measured. The LTL motor carrier industry is no different from any other industry in this respect. Financial data is a baseline that is critical to the determination of the health of the industry and the revenue necessary to support the infrastructure of the typical LTL carrier.

The Bureau of Transportation Statistics' (BTS) Motor Carrier Financial and Operating Statistics (F&OS) Program collects annual and quarterly data from motor carriers of property and passengers that meet the applicability requirements listed in the table below. Any motor carrier of property, household goods, or passengers engaged in interstate, intrastate, and/or foreign operations and with annual revenues of \$3 million or more must file annual and/or quarterly reports with the BTS, as required by 49 CFR §1420.

Motor Carrier	Adjusted Annual Operating Revenue	Report	Due Date
Class I, Property	\$10 million or greater	Form M, Annual	30 days after the end of the quarter
		Form QFR, quarterly	30 days after the end of the quarter
Class II, Property	\$3 – 10 million	Form M, Annual	March 31st

The Annual Report, Form M, program collects balance sheet and income statement data along with information on tonnage, mileage, employees, transportation equipment, and other related items. While the form does contain some valuable information, for Class I and II carriers the annual report information is up to 15 months old when received and lacks some vital statistics related to General Commodity carriers that are typically used in the industry for analysis.

The Form QFR, for Class I Motor Carriers of Property and Household Goods is required from each Class I carrier 30 days after the end of each calendar quarter. It is much more current than the annual report, Form M, but it too lacks some vital statistics related to General Commodity carriers that are typically used in the industry for analysis. Additionally, Class II carriers are not required to submit any quarterly information.

To remedy this situation SMC requests Form QFR information from its carriers each quarter. Since Form QFR does not contain all the statistics needed for the CCI, SMC requests and receives a supplementary form containing the select statistics needed for analysis. If a carrier does not complete a Form QFR SMC requests all the quarterly and supplementary data from them on a single page survey form. Once received the data is entered for use with the CCI.

The Quarterly Operating Results report, is published quarterly by SMC with the information gathered for each quarter. It provides a running eight-quarter trend, with actual operational data graphed for the following statistics of the carriers:

- Revenue
- Expense
- Operating Ratio
- Less-than-Truckload (LTL) Revenue
- Truckload (TL) Revenue
- Net Income
- LTL Shipments
- TL Shipments
- LTL Revenue Per Hundredweight (CWT)
- TL Revenue Per Hundredweight

LTL Revenue Per Shipment
TL Revenue Per Shipment

The above is shown in addition to showing Operating Results, Year-to-Date Operating Results for the current quarter this year and last year.

Having a sound financial baseline, application of the CCI procedures to the actual reported expenses of the carriers allows SMC to accurately portray both the current and projected expense levels the SMC carriers are, and will, experience. This actual and projected financial information is tailored to the SMC carriers, and is provided to the General Rate Committee, who make the final decision as to the use and application of the data to justify a general rate increase.

SHORTCOMINGS OF THE CURRENT CLASS RATE SYSTEM

Because the "cost of service" is an important factor in agency rate regulation and motor carrier ratemaking, the former Interstate Commerce Commission (ICC) charged its Cost Finding and Valuation Section with publishing specific motor carrier costs. Beginning in 1944, the publishing of a series of studies began, which provided territorial unit costs, cost scales, and performance factors based on motor common carriers of general commodities operating within specified regions or territories. These regional studies, along with their regional costs, were the basis for our current day class rate scales.

For purposes of these studies the following 13 regional or territorial groupings were used:

1. Central
2. Middle Atlantic
3. East-South
4. Middlewest
5. Pacific
6. Within New England – Group I
7. Between New England & New York City area & Beyond—Group II
8. Eastern-Central
9. Southern (Intra)
10. South Central
11. Southwest
12. Rocky Mountain
13. Transcontinental

These studies, which were published in the 1980s, were based on special studies of carriers, which had operating authority and provided transportation services within that specific region. Remember, in that time period, operating authority was very specific and was not granted on the national basis as is done currently. Although the costs and resultant class rates were regional they did reflect a wide variety of operating conditions and services within that territory.

As can be seen from the following map published by the ICC, each territory had unique characteristics from the mountains of the Pacific Coast, to the plains of the Middlewest, to the rocky shores of New England, to the Southern territory including Florida. All these regions were constructed prior to the conception of the Interstate Highway System that was started by President Eisenhower in the 1950s.

INTERSTATE COMMERCE COMMISSION
Bureau of Accounts

**Cost of Transporting Freight by Class I and Class II
Motor Common Carriers of General Commodities**

BY REGIONS OR TERRITORIES



SMC has strived to provide our member carriers with the most current and reliable data possible for their ratemaking decisions. Furthermore, in the interest of fairness we have provided the shipping public with white papers explaining why, based on carrier costs and revenue needs, a rate increase is necessary and how that increase will help provide the shipping public with continued and uninterrupted service at equitable rates.

In past years most of our member carriers were domiciled within the ratemaking territories of SMC. Today, with the completion of the Interstate Highway System and the blanket granting of nationwide operating authority our membership has expanded to encompass numerous companies outside of the South. These companies, as others, have looked to SMC to provide accurate and timely data that they can use in their pricing decisions. Today, unfortunately, due to regulatory constraints, there is no trade organization that can provide the nationwide seamless ratemaking data services that the LTL industry so desperately needs to ensure the continued supply of transportation services.

Since most of the other bureaus do not provide the public, or SMC, with any meaningful fact-based explanation for their general rate increases it is questionable as to how the actual amount of the increase was determined. Other questions arise, such as, which carriers participate in their General Rate Committee, which carriers were used and

how were their expenses updated and, most importantly, was the shipping public given the opportunity to participate in the General Rate Increase process?

Differentials in cost do exist within the United States. The differences can occur for a number of reasons that range from regulatory to geographical and economic factors. West Coast carriers typically pay the highest price for gasoline and diesel fuel in the nation due to the required blending of these fuels with additives to reduce emissions and smog. In many states double trailers are allowed, and in some states carriers may pull triple trailers. In the more populated areas of the country, such as New York City, carriers are faced with severe traffic congestion, numerous tolls, tunnel and bridge restrictions—all resulting in slower delivery times and increased labor and equipment costs.

Differing operating costs result in different cost factors that translate into distinct revenue needs in the identified ratemaking territories. These regional General Rate Increases may be understated or overstated when compared to the revenue needs of SMC's member carriers. These regional anomalies caused by rate increases tailored to carriers other than SMC's member carriers often result in seemingly irrational discounting practices to bring them into line with SMC carrier revenue needs. Joint line rates may require different discounts in different territories to create a competitive through rate. This unduly complicates the rating and pricing of these shipments, often causing the reversion to a modern day version of combination rates which may be subject to differing rate application rules for each territory.

One of the purposes in joint line ratemaking is to provide a uniform cost-based set of class rates that will foster the interlining of freight between carriers to the betterment of the shipping public and the nation as a whole. This is an attainable goal. However, the rules have to change to be in concert with the changes the LTL industry has experienced in the past few decades. The free flow of information is a prerequisite for this change. SMC has the desire, the expertise, and the carrier and shipper support to effectuate this change if and when the opportunity arises.

NATIONAL TRAFFIC DATABASE (NTD)

Prior to 1995, one of the most valuable tools for evaluating the cost/revenue relationship of class rates was the Continuing Traffic Study (CTS) that SMC started in 1959. The CTS was a stratified statistical sample of the freight bills of our member carriers. The actual statistical sampling process was designed and monitored by the world-renowned Dr. W. Edwards Deming. From its modest beginnings it grew to be the one data tool that the carriers could rely upon to provide accurate and timely results of both the industry and the individual participant. The CTS was used in most general rate cases before the ICC as was required by Ex Parte No. MC-82. It was also used in numerous intrastate rate cases, as well as internally by the management of the respective carrier participants. It was a strategic tool that provided an industry baseline that each participant could use as a measure relative to the traffic they were actually handling.

When Intrastate Traffic was deregulated in 1995 the CTS was discontinued due to budget constraints.

After the discontinuance of the CTS there was no regional industry data available. In addition to the lack of regional industry data (other than the information SMC supplies to its member carriers) there was no source of operational data. Responding to a request from our member carriers SMC formulated a plan for creation of the NTD. This database is a monthly, quarterly and annual aggregation of motor carrier freight bill information. It is not a sampling of the carriers' freight bills since all carriers are required to supply their freight bill data for each shipment to the study. The aggregate database is available only to participating carriers who provide their own shipment data. The data is collected on all individual shipments of the participants and is submitted to SMC on a monthly basis. Upon receipt, the data is subjected to uniform edits to ensure data integrity. Upon receipt of data from all participants, the data is processed into a number of standardized formats, which provides each of the participating LTL motor carriers with the composite data of the entire group in the same format as their own company data. The reports range from very detailed to very broad data, and include total weight, revenues, mileage, ton-miles, total number of shipments, and total number of pieces shipped and days in transit. This detail provides the ability to track changes in market share over time, determine traffic lane yields, and determine the impact of different pricing strategies and potential market penetration.

Participation in the SMC NTD includes computer files of the aggregated data as well as a participant's own data. This allows each participant to utilize the expertise of their staff to design and produce reports that are targeted to their specific needs.

The standardized Monthly Participant Reports are:

- Industry Traffic by Weight and Length of Haul
- Traffic Statistics by Weight within Length of Haul
- 100 Most Frequently Shipped Traffic Lanes
- Participating Carrier Single Lane Analysis
- Industry Single Lane Analysis
- Participating Carrier vs. Industry Single Lane Analysis
- Participating/Industry Lane Comparison with Transit Days
- Participating/Industry Lane Comparison by Weight with Transit Days
- Service Time Comparisons – Metro Area Lanes
- Inbound and Outbound Traffic Based on 5 Digit Zip Code Areas
- Total Participant Inbound and Outbound Traffic by Market
- Total Participant Inbound and Outbound Traffic by Region
- Metropolitan Areas to Select Markets
- Standardized Maps

The confidentiality of each participant is specifically protected in a number of ways. All standardized reports and computer files contain only aggregated data. Individual participant data cannot be identified or deduced from the information in the

file. No individual participant data are provided to the group at any time.

Part of the agreement for participation in the NTD is use of the data for General Rate Committee meetings. Use of this data can yield valuable information as to how traffic is moving within SMC territories, as well as anywhere within the US and portions of Canada and Mexico. Having each shipment in the database will allow SMC to identify and quantify data from the five-digit Zip Code level. The possible aggregations and analytical data available are almost endless and will open a new era in the availability of rate and market data for the participants as well as enabling SMC to continue to provide information the industry so desperately needs, and SMC is committed to provide. The NTD provides information that is critical to nationwide ratemaking and, best of all, it is already in place and operative. The NTD, administered by SMC, is another tool that enhances the knowledge and expertise enabling SMC to create a competitive nationwide level of Class Rates.

Based on information published by the Federal Government, the LTL General Commodity market produced approximately 35 billion dollars of revenue in 2002. The SMC NTD is currently comprised of 36 carriers (see Exhibit 7 for details of the participants) with 20 billion dollars in transportation revenue from nearly 125 million shipments in 2003.

With the level of detail within the NTD it is easy to see how new applications of the data can be created. One area that conceptually is not new, but now practical, is that of mapping freight flow data. With the advent of sophisticated mapping software the NTD data can now be superimposed onto a road grid base on the origin and destination five-digit Zip codes. Furthermore, these maps can be viewed for the complete NTD group of carriers and the individual carrier involved. Summary tables are also provided with a legend explaining the freight flow statistic that is plotted with a key explaining the statistic. These maps can be prepared on a national, regional, state, city, terminal, metropolitan statistical areas (MSA) or zip code basis. Not only can maps be created for a road grid they can be created with thematic shading and a number of other options. Exhibit 8 provides a few examples of the myriad of pictorial maps that can be created and used for management, marketing and sales information.

2003 is the third year the NTD has been existence. Now that a timeline is in place, individual participants and SMC can mine the data creating time series reports on a monthly basis that will allow tracking of revenue yields, freight volumes, directionality, seasonality, and other factors relating to revenue need and yield management.

THE IMPACT OF THE NTD ON SMC'S ABILITY TO PROVIDE NATIONWIDE RATES

As mentioned above the regional nature of the U.S. transportation industry has evolved from a regional industry to the nationwide industry with carriers that provide service from coast to coast including Alaska, Hawaii, and U.S. Territories. Furthermore the same carriers that service the U.S. are expanding into Canada and Mexico and in

some cases, through partnerships with steamship companies, into foreign ports. SMC is the largest producer of carrier rating systems in the U.S. with a capable staff of programmers and more importantly a trained and experienced staff of tariff analysts.

The old adage of "Knowledge is Power" is also true, in that, SMC has been instrumental in housing and administering the NTD. The NTD with its 20 billion dollars of revenue and 125 million freight bills (year 2003) is the only up to date source of the quantity and the market price of freight moving in the U.S. today. The NTD data includes both the origin and destination zip codes of each shipment. Additionally it contains the net revenue that the shipper, through an arms length transaction paid the carrier. This is what economists call the market-based rate.

With the data in hand, which is only 30 days old, SMC can isolate virtually any traffic moving between any of the 42,418 unique zip code origin and destination market traffic lanes in the database. Not only can the traffic be isolated it can be further subdivided into weight breaks and even summarized by the number of days the shipment was in transit. Determination of the market-based rate is, at this point, a simple and accurate calculation.

Since analysis of the NTD data will provide the market-based rate, comparison to the Class Rates will yield the differential, if any, between Class and market rates. These market-based rates can be determined on a national, regional, state, and local basis by direction of movement. Direction of movement will further define and isolate the head haul and backhaul imbalance of current freight movements and the impact balance has on market price. Taking it another step forward, since the NTD contains the date the shipment was picked up and delivered seasonal changes in traffic flow and pricing can be quantified.

SMC is in a unique position; it has an experienced staff of tariff and analytical experts and the only factually accurate database in existence today. This provides a solid foundation for industry related studies that can be provided to our carriers for the identification of market-based rates now and into the future throughout the U.S.

CONSOLIDATION OF TARIFFS, CREATING BASELINE CLASS RATES

With the rate freedom allowed in the MCA of 1980 and the guidance provided by the Interstate Commerce Commission motor carrier pricing entered a new era of competition and alternative pricing methodologies. With discounts being allowed on Base Class Rates, carriers could now consolidate Commodity and Commodity Column tariffs into the Class tariff by merely applying a discount to the class rate.

Before the MCA of 1980 Commodity and Commodity Column tariffs for all practical purposes were a lawful method of publishing rates discounted below Class Rates. Thus, for the past 20 years, the carriers have consolidated their rates via the discounted Class Rate concept. Technology, through computerization of rates, has further accelerated the movement away from traditional Class, Commodity Column, and

Commodity rates in paper tariffs by providing a quick and manageable method of using a programmable base rate coupled with a discount to compute the shippers' transportation charges. Modern technology, has in fact, created an environment where shippers and carriers utilizing a base rate can create an unlimited number of rate levels that can vary lane-to-lane and market-to-market.

To highlight the actual transition and consolidation of rates from the traditional Commodity and Commodity Column rates to discounted Base Class Rates, I constructed a comparative table. I went to SMC Tariff 180-F, which lists the Tariffs issued by SMC, dated November 15, 1982, and classified all the Tariffs listed as to type of tariff. My next step was to go to the most recent issue of Tariff 180-X, Supplement 13, effective November 24, 2003, and I reviewed the classification of the Tariffs presently listed in that document. In 1982, there were a total of 40 SMC Class, Commodity and Commodity Column Tariffs. As of 2003, there were only 3 SMC Class, Commodity and Commodity Column Tariffs. This is a 13 fold DECREASE in the number of tariffs needed to accomplish the same ratemaking task in 1982.

Looking at totals, including the tariffs involved in the CSA-SMC merger, the number of tariffs has decreased from 84 in 1982 to 13 in 2003-an 85% reduction. The form of the rates has changed from an absolute rate to a class rate less a discount or a net rate. The net rate (Rate less Discount) is the market-based Class rate, which is indicative of levels at which a shipper was willing to ship and a carrier was willing to transport the goods. This definition is basically the "free market" definition of pricing taught in elementary economics courses.

As a point of clarification, there are a few steps in the actual calculation of the freight charges for a shipment, namely:

1. Determine the Classification of the Commodity being shipped
2. Determine the Shipments Origin and Destination Zip Codes
3. Determine the weight of the Shipment
4. Using the Shipments' Origin and Destination Zip Codes determine the Rate Basis Number (Distance)
5. Using the Rate Basis Number, the weight and the Classification, select the proper Rate
6. Multiple the Rate by the weight and apply the appropriate discount to determine the actual charges.

Today, in SMC Class Tariff 585 there are 32,724 rates and 77,100 Rate Basis Numbers published in Sections A, B, C and D. The Rates are grouped by Classification (18 Classes) and weight group (9) within each Rate Basis Number (77,100) resulting in 12,490,200 possible combinations of charges within SMC Class Tariff 585 without calculating the impact of multiple levels of discounts.

The advent of discounts and the concept of a "base class rate" has allowed these rates to be utilized in a myriad of situations that previously required thousands of pages

of tariffs. This method of rate publication, base rate less discount, is justified by its simplicity of operation and consolidation of the pricing information for all users.

Even with the evolution of rates to "market" as defined above, the calculation of "cost of service" is still, and rightly so, based on the characteristics of the freight and the carriers' service unit costs.

SUMMARY

SMC is committed to provide the LTL motor carrier industry with the best possible data available for their pricing needs. To that end SMC has initiated and designed the CCI and the NTD, which, in unison with the LTL carrier financial data, will provide the tools to construct a cohesive, comprehensive system of class rates for the nationwide operations of SMC Member Carriers. The baseline of nationwide class rates when applied by shippers will reasonably identify SMC member carrier costs and revenue needs enabling individual carriers to more readily establish their competitive rates reflecting their actual costs and revenue needs. Thus, SMC member carriers will have a nationwide baseline of class rates for pricing purposes that is current and not over or under compensatory, and will be appropriate for the carrier and shipper involved.

Respectfully submitted,



Daniel M. Acker

EXHIBIT 1

MOTOR CARRIER LABOR AND NONLABOR OPERATING EXPENSES

TYPE OF EXPENSE		
SALARIES AND WAGES	% of EXP	Salaries Officers and Supervisors Drivers and Helpers Owner Operator Drivers Vehicle Repair and Service Cargo Handlers Clerical and Administrative Other Labor
FRINGE BENEFITS		Pension and Retirement Plans Health, Welfare and Pension Other Fringe Benefits
TOTAL LABOR	64%	
NON-LABOR EXPENSES		Fuel, Oil, Lube and Coolants Vehicle Parts Vehicle Maintenance/Outside Repair Tires and tubes Other Operating supplies and expense General supplies and expense Operating Tax and License PL & PD Insurance Cargo Loss and Damage Other Insurance Utilities Building/Structure Depreciation Revenue Equipment Depreciation Other equipment/Property Depreciation Amortization Vehicle Rents Purchased transportation – OTR Carriers Equipment Rents – Credit Building and Office Equipment Rents Disposition of Operating Assets – Net Miscellaneous Expensed
TOTAL NON-LABOR	36%	
TOTAL EXPENSE	100%	

EXHIBIT 2**NON-LABOR EXPENSE ACCOUNTS**

ACCOUNT NUMBER	ACCOUNT NAME
4510-4520	Fuel & Oil for motor vehicles
4530	Vehicle parts
4540	Vehicle maintenance/outside vendors
4550	Tires and Tubes
4590	Other operating supplies and expenses
4610-4630	Office supplies, tariffs and advertising
4640-4650	Commissions and Fees
4660-4690	Officers, employees & other general exp
4710	Gas, diesel fuel& oil taxes (Federal)
4730	Vehicle license & registration - Usage (Federal)
4740	Other Taxes (Federal)
4750	Real Estate & personal property taxes
4760	Fuel & oil taxes (State & other)
4770-4780	Vehicle license & fees – Ownership (State & other)
4790	Other taxes (State & other)
4810	Public liability & property damage insur.
4820	Cargo Loss & damage insurance
4830,-40-90	Other Insurance
5110	Communication expenses
5120	Utilities expenses
5310, 5370	Buildings, structures & improvements
5320	Revenue equipment
5330-60, 80	All other equipment & property
5390	Amortization
5410	Vehicle rents with driver
5420	Vehicle rents with driver – vehicle portion only
5430	Vehicle rents without driver
5440	Other purchased transportation – Motor carriers
5450	Other purchased transportation – Railroads
5460-70	Other purchased transportation – Other
5480	Allowances to shippers
5490	Equipment rents – Credit
5500	Building and office equipment rents
5700	Gains/losses on disposition of operations assets
5900	Miscellaneous expenses

UNADJUSTED RELATIVE IMPORTANCE OF EXPENDITURE CATEGORIES FOR THE CPI-U AND CPI-W - U.S. CITY AVERAGE, DECEMBER 2003		
Expenditure Category	CPI-U (6) Unadjusted Relative Importance	CPI-W (7) Unadjusted Relative Importance
All items	100.000	100.000
Food and beverages	15.384	17.151
Food	14.383	16.061
Food at home	8.256	9.637
Cereals and bakery products	1.202	1.364
Meats, poultry, fish, and eggs	2.320	2.908
Dairy and related products (1)	.842	.955
Fruits and vegetables	1.221	1.344
Nonalcoholic beverages and beverage materials	.905	1.076
Other food at home	1.765	1.991
Sugar and sweets	.305	.321
Fats and oils	.251	.303
Other foods	1.210	1.366
Food away from home (1)	6.127	6.424
Alcoholic beverages	1.001	1.090
Housing	42.089	39.114
Shelter	32.878	30.151
Rent of primary residence (3)	6.157	8.065
Lodging away from home (2) (3)	2.954	1.722
Owners' equivalent rent of primary residence (3) (4)	23.383	20.026
Fuels and utilities	4.741	5.079
Fuels	3.830	4.146
Fuel oil and other fuels	.231	.216
Fuel oil	.151	.138
Other household fuels	.080	.078
Gas (piped) and electricity (3)	3.599	3.930
Household furnishings and operations	4.470	3.884
Apparel	3.975	4.357
Men's and boys' apparel	1.024	1.120
Women's and girls' apparel	1.704	1.727
Infants' and toddlers' apparel (1)	.195	.250
Footwear	.778	1.011
Transportation	16.881	19.145
Private Transportation	15.817	18.348
New and used motor vehicles (2)	7.912	9.305
New vehicles	4.817	4.864
Used cars and trucks (1)	2.007	3.487
Motor fuel	3.249	3.967
Gasoline (all types)	3.222	3.936
Motor vehicle parts and equipment	.369	.456
Public transportation (1)	1.064	.797

UNADJUSTED RELATIVE IMPORTANCE OF EXPENDITURE CATEGORIES FOR THE CPI-U AND CPI-W - U.S. CITY AVERAGE, DECEMBER 2003		
Expenditure Category	CPI-U (6) Unadjusted Relative Importance	CPI-W (7) Unadjusted Relative Importance
Medical care	6.074	4.969
Medical care commodities	1.499	1.142
Medical care services	4.575	3.827
Professional services (3)	2.749	2.256
Hospital and related services (3)	1.489	1.254
Recreation (2)	5.872	5.697
Video and audio (1) (2)	1.736	1.928
Education and Communication (2)	5.948	5.645
Education (2)	2.841	2.299
Educational books and supplies	.219	.215
Tuition, other school fees, and childcare	2.623	2.084
Communication (1) (2)	3.107	3.345
Information and information processing (1) (2)	2.925	3.194
Telephone services (1) (2)	2.315	2.622
Information technology, hardware and services (1) (5)	.610	.572
Personal computers and peripheral Equipment (1) (2)	.230	.205
Other goods and services	3.776	3.923
Tobacco and smoking products	.806	1.248
Personal care (1)	2.970	2.675
Personal care products (1)	.680	.737
Personal care services (1)	.650	.610
Miscellaneous personal services	1.448	1.152
Footnotes: 1. Not seasonally adjusted 2. Indexes on a December 1997 = 100 base. 3. This index series was not calculated using a Laspeyres estimator. All other item stratum index series converted to a geometric means estimator in January, 1999. 4. Indexes on a December 1982=100 base. 5. Indexes on a December 1988=100 base. 6. Source – Table 1, Consumer Price Index for All Urban Consumer (CPI-U): U.S. City Average, by expenditure Category and commodity and service group. Source – Table 4, Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): U.S. City Average, by expenditure category and commodity and service group. NOTE: Index applies to a month as a whole, not to any specific date.		

Relative importance of commodities included in the Producer Price Index, all levels, December 2003			
Commodity Code	Commodity	Relative Importance	
	All Commodities	100.00	100.00
01	Farm products	4.366	4.366
011	Fruits & melons, fresh/dry vegs. & nuts		0.604
012	Grains		0.583
014	Slaughter poultry		0.435
015	Plant and animal fibers		0.107
016	Fluid milk		0.429
017	Chicken eggs		0.143
018	Hay, hayseeds and oilseeds		0.448
019	Other farm products		0.067
02	Processed foods and feeds	9.902	9.902
021	Cereal and bakery products		1.146
022	Meats, poultry, and fish		2.584
023	Dairy products		1.139
024	Processed fruits and vegetables		0.574
025	Sugar and confectionery		0.652
026	Beverages and beverage materials		1.526
027	Fats and Oils		0.267
028	Miscellaneous processed foods		1.261
029	Prepared animal feeds		0.753
03	Textile products and apparel	3.068	3.068
031	Synthetic fibers		0.263
032	Processed yarns and threads		0.252
033	Gray fabrics		0.266
034	Finished fabrics		0.433
038	Apparel & other fabricated textile prods		1.657
039	Miscellaneous textile products/services		0.196
04	Hides, skins, leather, and related products	0.235	0.235
041	Hides and skins, incl. Cattle		0.039
042	Leather		0.085
043	Footwear		0.059
044	Other leather and related products		0.052
05	Fuels and related products and power	17.227	17.227
051	Coal		0.478
052	Coke oven products		0.058
053	Gas fuels		2.427
054	Electric power		5.611
055	Utility natural gas		3.729
056	Crude petroleum (domestic production)		1.039

Relative importance of commodities included in the Producer Price Index, all levels, December 2003			
Commodity Code	Commodity	Relative Importance	
057	Petroleum products, refined		3.787
058	Petroleum and coal products, n.e.c.		0.098
06	Chemicals and allied products	8.370	8.370
061	Industrial chemicals		2.522
062	Paint and allied products		0.526
063	Drugs and pharmaceuticals		2.003
064	Fats and oils, inedible		0.110
065	Agricultural chemicals and chemical products		0.484
066	Plastic resins and materials		0.970
067	Other chemicals and allied products		1.755
07	Rubber and plastic products	3.297	3.297
071	Rubber and rubber products		0.860
072	Plastic products		2.437
08	Lumber and wood products	1.848	1.848
081	Lumber		0.561
082	Millwork		0.575
083	Plywood		0.168
084	Other wood products		0.114
085	Logs, bolts, timber and pulpwood		0.281
086	Prefabricated wood buildings & Components		0.068
087	Treated wood and contract wood Preserving		0.081
09	Pulp, paper, and allied products	8.126	8.126
091	Pulp, paper, and prod., ex. bldg. Paper		3.462
092	Building paper & building board mill prods.		0.141
093	Publications, printed matter & printing material		4.524
10	Metals and metal products	9.239	9.239
101	Iron and steel		2.332
102	Nonferrous metals		2.373
103	Metal containers		0.267
104	Hardware		0.352
105	Plumbing fixtures and brass fittings		0.125
106	Heating equipment		0.186
107	Fabricated structural metal products		1.348
108	Miscellaneous metal products		1.858
109	Metal treatment services		0.396
11	Machinery and equipment	15.405	15.405
111	Agricultural machinery and equipment		0.343
112	Construction machinery and equipment		0.471
113	Metalworking machinery and equipment		0.927
113A	Metalworking machinery, n.e.c.		0.072
113B	Rolling mill machinery		0.014

Relative importance of commodities included in the Producer Price Index, all levels, December 2003			
Commodity Code	Commodity	Relative Importance	
114	General purpose machinery and equip.		1.979
115	Electronic computers and computer equip.		0.608
116	Special industry machinery and equip.		1.009
117	Electrical machinery and equipment		7.959
118	Miscellaneous instruments		0.597
119	Miscellaneous machinery		1.512
12	Furniture and household durables	2.336	2.336
121	Household furniture		0.541
122	Commercial furniture		0.660
123	Floor coverings		0.265
124	Household appliances		0.370
125	Home electronic equipment		0.157
126	Other household durable goods		0.344
13	Nonmetallic mineral products	2.184	2.184
131	Glass		0.281
132	Concrete ingredients and related products		0.402
133	Concrete products		0.624
134	Clay construction products ex. Refractories		0.051
135	Refractories		0.054
136	Asphalt felts and coatings		0.109
137	Gypsum products		0.082
138	Glass containers		0.093
139	Other nonmetallic minerals		0.488
14	Transportation equipment	10.434	10.434
141	Motor vehicles and equipment		7.203
142	Aircraft and aircraft equipment		2.593
143	Ships and boats		0.345
144	Railroad equipment		0.168
147	Full tracked armored vehicles		-
149	Transportation equipment, n.e.c.		0.126
15	Miscellaneous products	3.964	3.964
151	Toys, sporting goods, small arms, etc.		0.372
152	Tobacco products, incl. Stemmed and re-dried		1.205
153	Notions		0.017
154	Photographic equipment and supplies		0.308
1541	Photographic equipment		0.112
155	Mobile homes		0.229
156	Medical, surgical & personal aid devices		0.764
157	Industrial safety equipment		0.035
158	Mining Services		0.449
159	Other miscellaneous products		0.585
159A	Miscellaneous products, n.e.c.		0.208

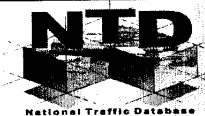
EXHIBIT 5

NON-LABOR EXPENSE ACCOUNTS AND INDEX SOURCES		
	ACCOUNT NAME	SOURCE OF INDEX
4510-4520	Fuel & Oil for motor vehicles	ICC Fuel Index
4530	Vehicle parts	PPI 1412
4540	Vehicle maintenance/outside vendors	CPI Auto Maint. & Repair
4550	Tires and Tubes	PPI 07120105
4590	Other operating supplies and expenses	1/
4610-4630	Office supplies, tariffs and advertising	2/
4640-4650	Commissions and Fees	Compounded Gen. Rat Inc. -TL 1/
4660-4690	Officers, employees & other general exp	ICC Fuel Index
4710	Gas, diesel fuel& oil taxes (Federal)	Unity
4730	Vehicle license & registration - Usage (Federal)	Unity
4740	Other Taxes (Federal)	CPI Homeowners Costs
4750	Real Estate & personal property taxes	ICC Fuel Index
4760	Fuel & oil taxes (State & other)	ATA Registration Index
4770-4780	Vehicle license & fees - Ownership (State & other)	ATA Registration Index
4790	Other taxes (State & other)	CPI Auto Insurance
4810	Public liability & property damage insur.	PPI Fin. Goods w/o Food
4820	Cargo Loss & damage insurance	CPI Auto Insurance
4830,-40-90	Other Insurance	CPI Telephone Services 3/
5110	Communication expenses	Commerce C30 E.N.R. - Bldgs
5120	Utilities expenses	PPI 141106
5310, 5370	Buildings, structures & improvements	4/
5320	Revenue equipment	-----
5330-60, 80	All other equipment & property	Compounded Gen. Rat Inc. -TL
5390	Amortization	Compounded Gen. Rat Inc. -TL
5410	Vehicle rents with driver	PPI 141106
5420	Vehicle rents with driver - vehicle portion only	Compounded Gen. Rat Inc.-All
5430	Vehicle rents without driver	PPI RR Frt. Index/TOFC
5440	Other purchased transportation - Motor carriers	-----
5450	Other purchased transportation - Railroads	PPI 141106
5460-70	Other purchased transportation - Other	Commerce C30 E.N.R. - Bldgs
5480	Allowances to shippers	PPI 141106
5490	Equipment rents - Credit	5/
5500	Building and office equipment rents	
5700	Gains/losses on disp. of operations assets	
5900	Miscellaneous expenses	
1/ - Weighted average of CPI - Food Away from Home, CPI - Lodging While Out of Town, CPI - (Housing) Maint. & Repairs, CPI - Auto Fees and CPI - Physicians Services; based on carrier survey. 2/ - Weighted average of PPI 09130134 and 091506 and CPI - Postage; based on carrier survey. 3/ - Weighted average of PPI 0531, 0542 and 05730201 and CPI - Water and Sewerage Maintenance; based on carrier survey. 4/ - Weighted average of PPI 1144, PPI 122 and PPI 14101; based on carrier survey. 5/ - Weighted average, legal services (SIC 81) and accounting index (SIC 893); Table C-2 of BLS Employment and Earnings.		

EXHIBIT 6

**COMPARISON OF THE RATES OF INCREASE FOR THE CONSUMER
PRICE INDEX (URBAN AND WORKERS) AND THE PRODUCER PRICE INDEX
OF INDUSTRIAL COMMODITIES**

ACTUAL ANNUAL INDEXES				PERCENTAGE INCREASE		
YEAR	CPI-U	CPI-W	PPI	CPI-U	CPI-W	PPI
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1980	82.4	82.9	88.0	0.0	0.0	0.0
1981	90.9	91.4	96.1	10.3	10.3	9.2
1982	96.5	96.9	100.0	17.1	16.9	13.6
1983	99.6	99.8	101.6	20.9	20.4	15.5
1984	103.9	103.3	103.7	26.1	24.6	17.8
1985	107.6	106.9	104.7	30.6	29.0	19.0
1986	109.6	108.6	103.2	33.0	31.0	17.3
1987	113.6	112.5	105.4	37.9	35.7	19.8
1988	118.3	117.0	108.0	43.6	41.1	22.7
1989	124.0	122.6	113.6	50.5	47.9	29.1
1990	130.7	129.0	119.2	58.6	55.6	35.5
1991	136.2	134.3	121.7	65.3	62.0	38.3
1992	140.3	138.2	123.2	70.3	66.7	40.0
1993	144.5	142.1	124.7	75.4	71.4	41.7
1994	148.2	145.6	125.5	79.9	75.6	42.6
1995	152.4	149.8	127.9	85.0	80.7	45.3
1996	156.9	154.1	131.3	90.4	85.9	49.2
1997	160.5	157.6	131.8	94.8	90.1	49.8
1998	163.0	159.7	130.7	97.8	92.6	48.5
1999	166.6	163.2	133.0	102.2	96.9	51.1
2000	172.2	168.9	138.0	109.0	103.7	56.8
2001	177.1	173.5	140.7	114.9	109.3	59.9
2002	179.9	175.9	138.9	118.3	112.2	57.8
2003	184.0	179.8	143.4	123.3	116.9	63.0



Roll Call

Participants

1. AAA Cooper Transportation
2. ABF Freight System
3. Averitt Express, Inc.
4. Bullet Freight Systems, Inc.
5. Central Freight Lines, Inc.
6. Central Transport International, Inc.
7. Clark Bros. Transfer, Inc.
8. Con-Way Transportation
9. Dayton Freight Lines, Inc.
10. Estes Express Lines, Inc.
11. FedEx Freight
12. G.I. Trucking Company
13. Lakeville Motor Express
14. Mid-States Express, Inc.
15. Motor Cargo
16. New England Motor Freight
17. Oak Harbor Freight Lines, Inc.
18. Old Dominion Freight Lines, Inc.
19. Overnite Transportation Company
20. Peninsula Truck Lines
21. Pitt-Ohio Express
22. Roadrunner Freight Systems
23. Roadway Express Lines, Inc.
24. Saia Motor Freight Line, Inc.
25. Southeastern Express Lines, Inc.
26. Towne Air Freight
27. USF - Bestway
28. USF - Dugan
29. USF - Holland
30. USF - Reddaway
31. USF - Red Star
32. Ward Trucking Corporation
33. Watkins Motor Lines
34. Wichita Southeast Kansas Transit, Inc.
35. Wilson Trucking Corporation
36. Yellow Transportation

Facts to Know

Thirty six carriers have provided their freight bill data to SMC³ for use in the NTD. The total bill count of 10,482,100 represents \$1,744,923,040 of revenue for

DECEMBER 2003

December. Year to date bill count in 2003 is 124,208,344 representing \$20,338,737,354 of revenue.

As mentioned last month Clipper Express, Clipper Group's LTL Division has been sold. Their data has been included in each month this year except December.

User Group Meeting

The user group meeting, which was held in conjunction with the SMC³ Winter Meeting on January 20, 2003, in Atlanta, Ga., was well attended, both at the meeting and via WebEx. Users were informed of the latest upgrades and enhancements, which will be in place beginning with the January 2004 data.

Several attendees requested a copy of the Powerpoint presentation; therefore, we have placed it on our FTP site. To download the presentation, just go to <ftp://ftp.smc3.com/> and when prompted enter **ntduser** as the user name and **winter04** as the password. You will then see a file titled "NTD UG 2004 Winter Presentation.ppt." Highlight the file and then copy to your hard drive.

WebEx Training Session (NEW)

A training session via WebEx, over the Internet, has been scheduled for February 23, with a repeat session on February 25. Please contact Brenda Coursey if you are interested in participating in this session.

Frequently Asked Questions

Q: Is there an annual report available that provides the months of participation for each member?

A: Yes - beginning with the December, 2003, reports, the "NTD Participants 2003.xls" spreadsheet report will be included on the monthly report CD. This spreadsheet/report gives a listing of the participating carriers for each month and year to date for all carriers, as well as the total months of their participation for the year.

NTD Contact Information

For questions or assistance with NTD, contact Brenda Coursey at 770.486.5823, 7:30 a.m. to 4:15 p.m., EST or via email at: bcoursey@smc3.com

Purpose of Mapping in the National Traffic Database

Objective:

To provide SMC³ and the NTD participant the ability to create and present maps based on select statistics depicting traffic flows or other pertinent information derived from the NTD.

Benefits of Mapping:

- Geographical presentation of freight flows for the industry.
- Geographical presentation of freight flows for the individual NTD participant
- Comparison of carrier to industry traffic flows
- Presentation of traffic to and or from a region, state, city, terminal or ZIP Code.
- Mapping the traffic to and or from a salesman's territory
- Inbound and or outbound traffic by ZIP Code.
- Pictorial presentation of a major customers traffic within your system (using your in-house data)
- Use of actual freight flow data in a sales staff or customer meeting
- Directional flow of traffic for analytical purposes of adding or relocating terminals

The NTD has origin and destination Zip codes included in the database. There is not any routing information, other than direction, included in the NTD file. Since traffic moves over the highways the NTD data should be graphed onto a simulated road grid. The preferred type of map would provide the type of graphic presentation as shown below:

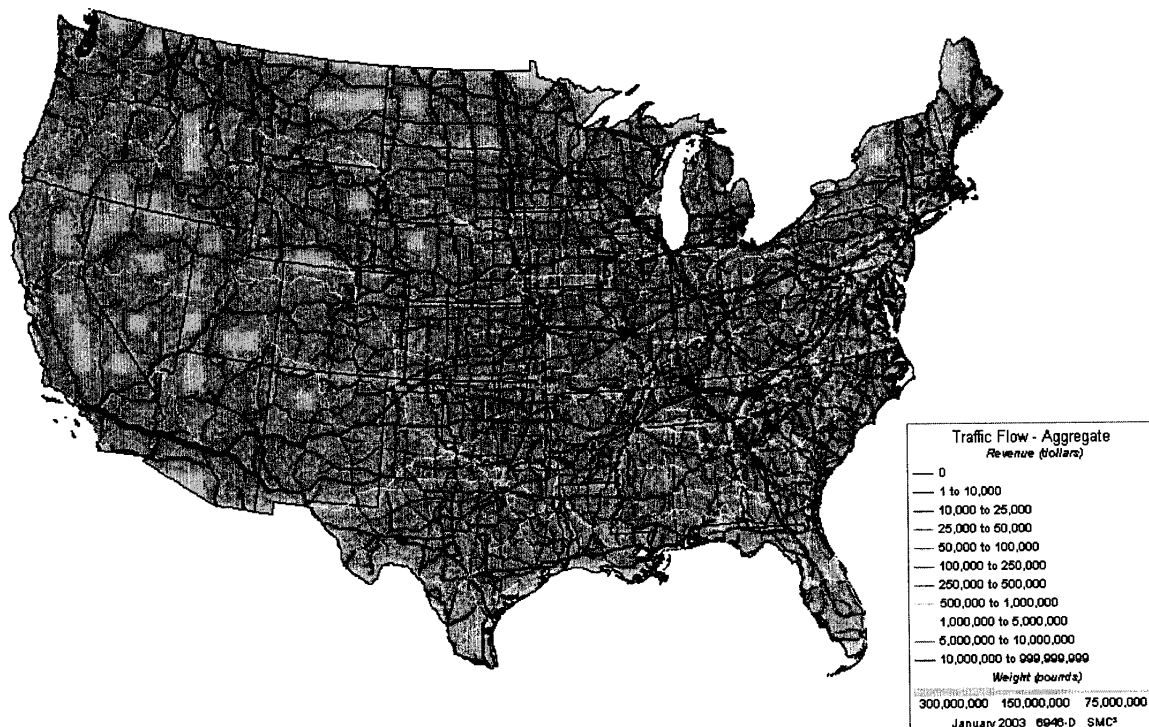
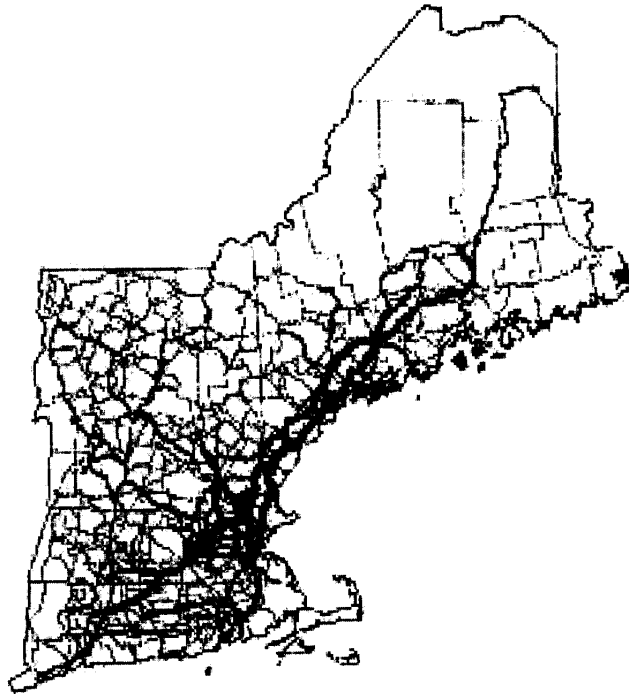
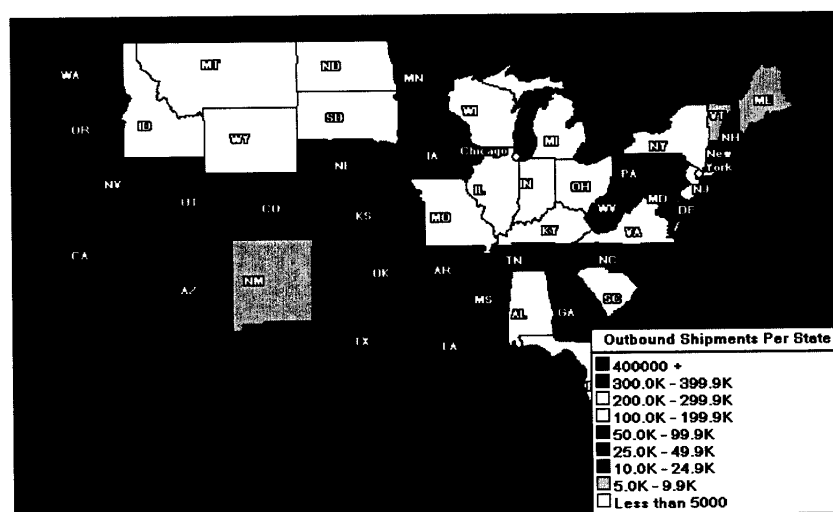


EXHIBIT 8
Page 2 of 3

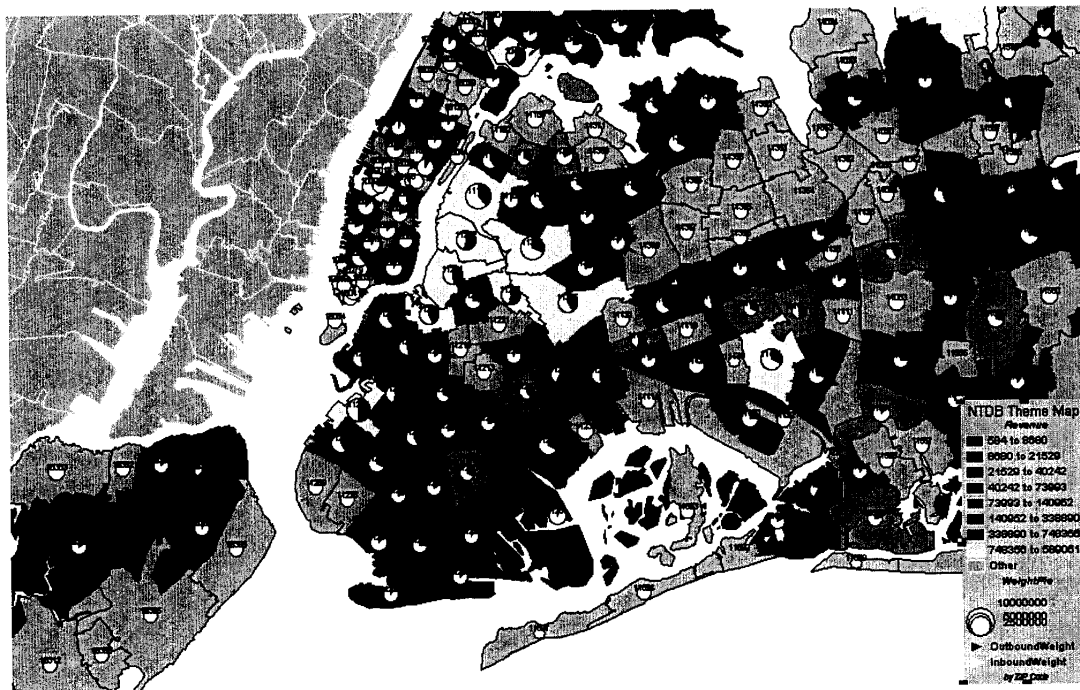
Maps covering select geographical areas can also be produced from the NTD for analysis of specific traffic lanes:



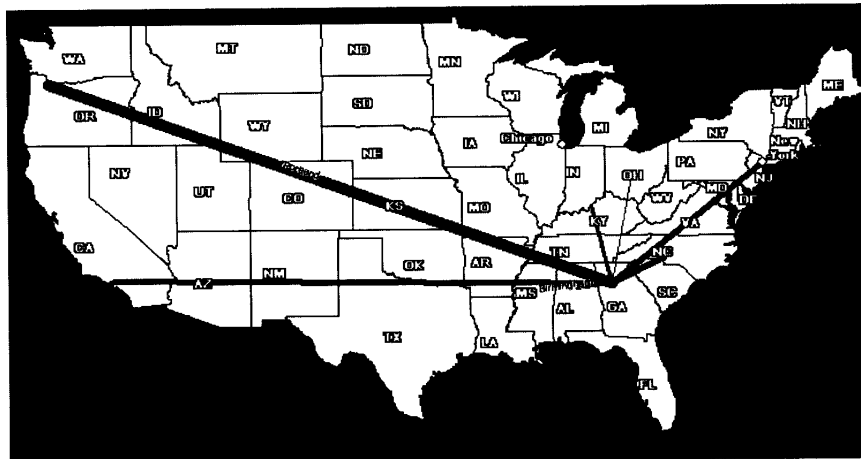
Versatility of presentation is a feature that is highly desirable since there are numerous ways of looking at the same data. The image below shows states being color to indicate outbound shipments as an example of what is often referred to as thematic shading.



Another type of thematic presentation is shown below where the inbound and outbound traffic is mapped by five digit ZIP Codes



Other types of maps that are considered of value is the simple line maps from an origin(s) to destination(s).



Mapping the NTD data will allow the participant, to print the map in hardcopy format for presentations or to save it in an electronic format that would allow it to be inserted in a PowerPoint presentation or a hard copy document.

**V.
Statement
of
James E. Ridley
Senior Data Technician**

Statement
of
James E. Ridley

My name is James E. (Jim) Ridley and I have been employed at Southern Motor Carriers Rate Conference, Inc. (SMC) for over 32 years. I am presently employed as a Senior Data Technician in the Production Department of SMC, and currently serve as the Secretary of the SMC General Rate Committee. Except for about 1.5 years that I was employed as a compiler of tariff publications, the remainder of my years at SMC have been involved in rate or docket analysis in various departments within the company. During this time I have dealt with all of the tariffs formerly and presently produced by SMC, including rules and rates tariffs. I am familiar with the form and structure used in developing rates in regard to their relationships by classification rating, weight and distance. As an analyst for the SMC General Rate Committee I worked with the Committee in the development of the present SMC zip code based class rate structures.

For a period of about 2 years, I served as the Assistant Manager in the SMC Rate and Research Department, where along with the many analytical duties required by that position, I also served as the Secretary of both the Georgia Intrastate Rate Committee and the Mississippi Intrastate Rate Committee. The Rate and Research Department was assigned the duties of handling the analysis work, other than cost analysis, for the General Rate Committee, its ad hoc sub-committees, and the numerous intrastate committees.

Jack E. Middleton, SMC's President, requested that I prepare the following expanded marketplace rate comparison of SMC's class rates with those applicable by

major less-than-truckload (LTL) carriers doing business within SMC's ratemaking territories.

In preparing a marketplace rate comparison, I selected 14 major shipping points located on or near the U.S. Interstate Highway System. In addition, I also chose 6 smaller cities, none of which are located on the Interstate System. Those 20 points represent origin points located within Southern Territory. Then I chose major markets, as well as some smaller cities, within the scope of the SMC ratemaking territory as destinations. Generally, these are cities located in major traffic lanes and also on or near the U.S. Interstate Highway System. Thus, there are 20 origins and 42 destinations involved in this analysis. For comparison purposes I was able to secure publicly-available rates for 7 individual carriers which are not SMC member motor carriers. The carriers and involved tariffs are identified in Appendix B to my statement. Individual carrier rates were compared to class rates published in SMC Tariffs 500 and 585. Classes and weights were selected on a random basis using only the less-than-truckload (LTL) rates.

The general purpose is to show how the SMC bureau ratemaking process of establishing base rates compares with individual motor carrier class rates, even though individual motor carriers have the ability to tailor their individual motor carrier rates between given markets depending on their company's operational requirements. Undiscounted class rates were considered in making the comparisons.

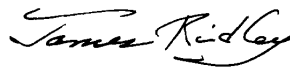
Shown in Appendix A are 840 market comparisons involving 6,720 class rates of the SMC member carriers and seven, non-member LTL carriers conducting business in SMC's ratemaking territories. Of those rate comparisons, SMC's class rates are within

the three lowest levels approximately 86 percent of the occurrences, with SMC rates constituting the lowest in approximately 45 percent of those occurrences. Stated differently, SMC class rates are among the three lowest levels in 726 of the market comparisons.

In only about 17 percent of the compared rates are those of the non-member LTL carriers lower than the SMC class rates. Overall, in those instances, the higher SMC class rates range from a low of .01 percent to a high of 18.3 percent, with an overall average of 4.3 percent above the non-member compared rates. Conversely, the non-member LTL class rates higher than the SMC class rates range from a low of .01 percent to a high of 97.6 percent, with an overall average of 18.2 percent above the SMC class rates. Moreover, of the 6,720 compared class rates, 4,495 (67 percent) of the individual carrier class rates are higher, with 1,908 occurrences (42 percent) of those rates exceeding the SMC class rates by 20 percent or higher.

I believe that the comparison shows clearly that SMC class rates compare very favorably with the individual motor carrier class rates prevailing in the market today, and, generally, are considerably lower than those individually-made class rates.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Ridley".

James Ridley

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM AIKEN, SC - 29801 TO [IN ZIP ORDER]	ZIP	TERRI- TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	63.26	69.86	85.52	77.76	76.99	78.13	71.00	71.25
PERCENTAGE TO SMC					0.0%	10.4%	35.2%	22.9%	21.7%	23.5%	12.2%	12.6%
PORTLAND, ME	04101	E	70	M5C	76.09	95.77	104.18	90.09	93.76	88.72	78.16	85.85
PERCENTAGE TO SMC					0.0%	25.9%	36.9%	18.4%	23.2%	16.6%	2.7%	12.8%
NEWARK, NJ	07101	E	100	L5C	102.68	111.86	131.61	136.93	129.09	118.29	124.04	123.48
PERCENTAGE TO SMC					0.0%	8.9%	28.2%	33.4%	25.7%	15.2%	20.8%	20.3%
BUFFALO, NY	14201	E	65	M10M	31.17	33.19	37.65	36.55	37.36	36.02	30.46	30.11
PERCENTAGE TO SMC					0.0%	6.3%	20.8%	17.3%	19.9%	15.6%	-2.3%	-3.4%
PITTSBURGH, PA	15201	E	60	M5M	33.21	34.05	38.46	35.14	34.60	34.64	32.85	29.16
PERCENTAGE TO SMC					0.0%	2.5%	15.8%	5.8%	4.2%	4.3%	-1.1%	-12.2%
SCRANTON, PA	18501	E	85	M5C	81.20	86.30	99.10	86.00	93.27	84.60	101.98	82.56
PERCENTAGE TO SMC					0.0%	6.3%	22.0%	5.9%	14.9%	4.2%	25.6%	1.7%
DOVER, DE	19901	E	70	M1M	46.45	45.15	58.51	51.51	55.01	50.64	60.26	47.78
PERCENTAGE TO SMC					0.0%	-2.8%	26.0%	10.9%	18.4%	9.0%	29.7%	2.9%
BALTIMORE, MD	21201	E	85	M5M	34.28	32.58	41.86	36.59	37.11	36.01	44.93	36.45
PERCENTAGE TO SMC					0.0%	-5.0%	22.1%	6.7%	8.3%	5.0%	31.1%	6.3%
GREENSBORO, NC	27401	S	92.5	L5C	55.09	55.60	73.13	86.76	73.85	57.70	84.00	55.70
PERCENTAGE TO SMC					0.0%	0.9%	32.7%	57.5%	34.1%	4.7%	52.5%	1.1%
AIKEN, SC	29801	S	100	M5C	31.29	31.60	43.58	46.01	41.17	36.87	48.88	31.65
PERCENTAGE TO SMC					0.0%	1.0%	39.3%	47.0%	31.6%	17.8%	56.2%	1.2%
ATLANTA, GA	30301	S	100	M5C	45.90	46.36	65.72	66.51	60.37	69.71	63.77	46.32
PERCENTAGE TO SMC					0.0%	1.0%	43.2%	44.9%	31.5%	51.9%	38.9%	0.9%
DUBLIN, GA	31021	S	55	M2M	16.61	17.62	26.76	24.51	21.58	24.02	25.19	16.61
PERCENTAGE TO SMC					0.0%	6.1%	61.1%	47.6%	29.9%	44.6%	51.7%	0.0%
JACKSONVILLE, FL	32201	S	60	L5C	45.35	45.35	62.08	71.01	50.16	66.31	47.97	52.79
PERCENTAGE TO SMC					0.0%	0.0%	36.9%	56.6%	10.6%	46.2%	5.8%	16.4%
BIRMINGHAM, AL	35201	S	55	M1M	28.54	28.53	38.73	39.73	37.21	35.63	29.46	28.50
PERCENTAGE TO SMC					0.0%	0.0%	35.7%	39.2%	30.4%	24.8%	3.2%	-0.1%
NASHVILLE, TN	37201	S	100	M2M	42.62	42.57	50.51	47.81	55.17	44.99	45.62	42.60
PERCENTAGE TO SMC					0.0%	-0.1%	18.5%	12.2%	29.4%	5.6%	7.0%	0.0%
JACKSON, MS	39201	S	77.5	L5C	65.15	62.40	92.86	78.73	82.81	77.31	67.70	62.31
PERCENTAGE TO SMC					0.0%	-4.2%	42.5%	20.8%	27.1%	18.7%	3.9%	-4.4%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	54.72	53.49	65.31	57.69	69.01	54.58	52.18	52.50
PERCENTAGE TO SMC					0.0%	-2.2%	19.4%	5.4%	26.1%	-0.3%	-4.6%	-4.1%
COLUMBUS, OH	43201	C	77.5	M10M	22.36	21.27	26.05	25.74	28.37	25.18	24.33	22.20
PERCENTAGE TO SMC					0.0%	-4.9%	16.5%	15.1%	26.9%	12.6%	8.8%	-0.7%
AKRON, OH	44301	C	60	M5M	28.45	26.36	30.34	32.27	31.78	31.61	27.26	26.00
PERCENTAGE TO SMC					0.0%	-7.3%	6.6%	13.4%	11.7%	11.1%	-4.2%	-8.6%
INDIANAPOLIS, IN	46201	C	70	L5C	81.11	76.75	89.41	84.76	101.93	82.78	82.48	75.74
PERCENTAGE TO SMC					0.0%	-5.4%	10.2%	4.5%	25.7%	2.1%	1.7%	-6.6%
SOUTH BEND, IN	46601	C	100	L5C	112.89	106.50	129.79	124.24	141.37	121.09	111.10	105.35
PERCENTAGE TO SMC					0.0%	-5.7%	15.0%	10.1%	25.2%	7.3%	-1.6%	-6.7%
DETROIT, MI	48201	C	85	M1M	68.31	79.91	89.10	65.11	84.76	63.48	69.17	66.76
PERCENTAGE TO SMC					0.0%	17.0%	30.4%	-4.7%	24.1%	-7.1%	1.3%	-2.3%
ALPENA, MI	49707	C	50	M1M	51.85	72.80	63.19	56.31	64.28	54.90	52.58	52.90
PERCENTAGE TO SMC					0.0%	40.4%	21.9%	8.6%	24.0%	5.9%	1.4%	2.0%
AMES, IA	50010	MW	92.5	M10M	41.34	45.86	53.72	54.34	54.09	53.39	49.42	46.07
PERCENTAGE TO SMC					0.0%	10.9%	29.9%	31.4%	30.8%	29.1%	19.5%	11.4%
MILWAUKEE, WI	53201	C	92.5	M10M	34.58	33.86	40.75	40.92	44.75	40.24	36.18	37.18
PERCENTAGE TO SMC					0.0%	-2.1%	17.8%	18.3%	29.4%	16.4%	4.6%	7.5%
MINNEAPOLIS, MN	55401	C	100	M5C	102.33	129.51	127.79	117.63	136.03	115.49	118.83	117.30
PERCENTAGE TO SMC					0.0%	26.6%	24.9%	15.0%	32.9%	12.9%	16.1%	14.6%
ABERDEEN, SD	57401	MW	60	M5M	39.70	51.99	53.31	47.56	48.86	46.78	52.10	52.63
PERCENTAGE TO SMC					0.0%	31.0%	34.3%	19.8%	23.1%	17.8%	31.2%	32.6%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM AIKEN, SC - 29801 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	84.09	99.18	109.68	110.38	110.74	85.65	110.48	97.83
PERCENTAGE TO SMC					0.0%	17.9%	30.4%	31.3%	31.7%	1.9%	31.4%	16.3%
PEORIA, IL	61601	C	85	M2M	57.97	55.21	61.81	56.57	71.57	55.14	50.72	54.63
PERCENTAGE TO SMC					0.0%	-4.8%	6.6%	-2.4%	23.5%	-4.9%	-12.5%	-5.8%
ST. LOUIS, MO	63101	MW	77.5	M5M	33.14	30.71	35.49	35.21	39.04	34.58	33.33	30.29
PERCENTAGE TO SMC					0.0%	-7.3%	7.1%	6.2%	17.8%	4.3%	0.6%	-8.6%
ROLLA, MO	65401	MW	70	M2M	46.16	49.60	58.26	48.02	56.50	47.16	50.11	44.25
PERCENTAGE TO SMC					0.0%	7.5%	26.2%	4.0%	22.4%	2.2%	8.6%	-4.1%
WICHITA, KS	67201	MW	65	M5C	68.94	75.76	83.40	80.10	88.13	78.90	79.40	67.32
PERCENTAGE TO SMC					0.0%	9.9%	21.0%	16.2%	27.8%	14.4%	15.2%	-8.6%
OMAHA, NE	68101	MW	55	M2M	43.41	48.69	50.85	47.51	56.35	46.66	46.05	47.34
PERCENTAGE TO SMC					0.0%	12.2%	17.1%	9.4%	29.8%	7.5%	6.1%	9.1%
ALEXANDRIA, LA	71301	SW	77.5	M5M	35.61	36.01	40.29	36.74	38.37	36.20	36.90	36.48
PERCENTAGE TO SMC					0.0%	1.1%	13.1%	3.2%	7.8%	1.7%	3.6%	2.4%
FORT SMITH, AR	72901	SW	50	M10M	23.99	25.53	27.75	27.79	29.33	27.33	23.27	23.20
PERCENTAGE TO SMC					0.0%	6.4%	15.7%	15.8%	22.3%	13.9%	-3.0%	-3.3%
OKLAHOMA CITY, OK	73101	SW	85	M1M	67.37	74.00	77.11	73.53	86.08	72.28	70.24	67.64
PERCENTAGE TO SMC					0.0%	9.8%	14.5%	9.1%	27.8%	7.3%	4.3%	0.4%
DALLAS, TX	75201	SW	70	M5M	37.93	40.79	45.52	43.28	43.46	40.31	41.37	39.52
PERCENTAGE TO SMC					0.0%	7.5%	20.0%	14.1%	14.6%	6.3%	9.1%	4.2%
HOUSTON, TX	77001	SW	92.5	M5C	88.88	96.49	108.17	103.04	112.23	100.08	86.33	88.19
PERCENTAGE TO SMC					0.0%	8.6%	21.7%	15.9%	26.3%	12.6%	-2.9%	-0.8%
ABILENE, TX	79601	SW	60	L5C	72.02	90.63	101.20	98.05	94.73	96.48	87.06	73.09
PERCENTAGE TO SMC					0.0%	25.8%	40.5%	36.1%	31.5%	34.0%	20.9%	1.5%
PUEBLO, CO	81001	MW	50	M1M	53.65	72.64	70.96	66.02	72.11	65.08	65.35	69.81
PERCENTAGE TO SMC					0.0%	35.4%	32.3%	23.1%	34.4%	21.3%	21.8%	30.1%
ALBUQUERQUE, NM	87101	SW	65	M2M	66.33	88.37	85.44	79.38	89.66	78.24	70.00	79.47
PERCENTAGE TO SMC					0.0%	33.2%	28.8%	19.7%	35.2%	18.0%	5.5%	19.8%
ROSWELL, NM	88201	SW	55	M5C	67.50	91.85	89.30	89.36	90.55	87.90	90.51	79.88
PERCENTAGE TO SMC					0.0%	36.1%	32.3%	32.4%	34.1%	30.2%	34.1%	18.3%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

09/18/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM ATLANTA, GA - 30301 TO [IN ZIP ORDER]	ZIP	TERRI- TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	64.21	71.71	78.53	77.78	79.00	75.51	76.95	72.77
PERCENTAGE TO SMC					0.0%	11.7%	22.3%	21.1%	23.0%	17.6%	19.8%	13.3%
PORTLAND, ME	04101	E	70	M5C	77.20	98.18	94.42	89.22	96.12	87.86	81.29	88.82
PERCENTAGE TO SMC					0.0%	27.2%	22.3%	15.6%	24.5%	13.8%	5.3%	15.1%
NEWARK, NJ	07101	E	100	L5C	105.44	116.84	127.64	148.91	134.84	122.05	129.38	128.30
PERCENTAGE TO SMC					0.0%	10.8%	21.1%	41.2%	27.9%	15.8%	22.7%	21.7%
BUFFALO, NY	14201	E	65	M10M	30.23	31.36	31.47	33.89	35.34	33.36	28.68	28.49
PERCENTAGE TO SMC					0.0%	3.7%	4.1%	12.1%	16.3%	10.4%	-5.1%	-5.8%
PITTSBURGH, PA	15201	E	60	M5M	30.18	30.69	32.58	32.71	31.17	32.27	30.30	26.28
PERCENTAGE TO SMC					0.0%	1.7%	8.0%	8.4%	3.3%	6.9%	0.4%	-12.9%
SCRANTON, PA	18501	E	85	M5C	82.50	88.83	85.86	86.69	95.98	85.46	77.34	85.51
PERCENTAGE TO SMC					0.0%	7.7%	4.1%	5.1%	16.3%	3.6%	-6.3%	3.6%
DOVER, DE	19901	E	70	M1M	52.57	49.13	54.22	55.15	59.90	54.21	51.29	53.02
PERCENTAGE TO SMC					0.0%	-6.5%	3.1%	4.9%	13.9%	3.1%	-2.4%	0.9%
BALTIMORE, MD	21201	E	85	M5M	37.36	34.53	38.18	39.04	39.35	38.39	38.14	39.28
PERCENTAGE TO SMC					0.0%	-7.6%	2.2%	4.5%	5.3%	2.8%	2.1%	5.1%
GREENSBORO, NC	27401	S	92.5	L5C	61.46	62.04	69.08	72.81	82.40	77.92	71.65	61.94
PERCENTAGE TO SMC					0.0%	0.9%	12.4%	18.5%	34.1%	26.8%	16.6%	0.8%
AIKEN, SC	29801	S	100	M5C	45.90	46.36	59.69	66.51	60.37	64.48	61.34	46.32
PERCENTAGE TO SMC					0.0%	1.0%	30.0%	44.9%	31.5%	40.5%	33.6%	0.9%
ATLANTA, GA	30301	S	100	M5C	31.29	31.60	39.22	44.22	41.17	60.50	48.88	31.56
PERCENTAGE TO SMC					0.0%	1.0%	25.3%	41.3%	31.6%	93.4%	56.2%	0.9%
DUBLIN, GA	31021	S	55	M2M	15.11	16.03	24.60	21.50	19.58	23.31	22.67	15.08
PERCENTAGE TO SMC					0.0%	6.1%	62.8%	42.3%	29.6%	54.3%	50.0%	-0.2%
JACKSONVILLE, FL	32201	S	60	L5C	50.77	50.76	62.34	75.93	56.18	77.34	65.35	59.10
PERCENTAGE TO SMC					0.0%	0.0%	22.8%	49.6%	10.7%	52.3%	28.7%	16.4%
BIRMINGHAM, AL	35201	S	55	M1M	20.63	20.67	27.96	29.23	26.91	32.06	28.60	20.65
PERCENTAGE TO SMC					0.0%	0.2%	35.5%	41.7%	30.4%	55.4%	38.6%	0.1%
NASHVILLE, TN	37201	S	100	M2M	31.28	31.56	38.51	37.24	40.93	50.28	42.53	31.53
PERCENTAGE TO SMC					0.0%	0.9%	23.1%	19.1%	30.9%	60.7%	36.0%	0.8%
JACKSON, MS	39201	S	77.5	L5C	54.84	55.81	75.68	68.56	74.11	79.79	76.87	55.75
PERCENTAGE TO SMC					0.0%	1.8%	38.0%	25.0%	35.1%	45.5%	40.2%	1.7%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	47.30	47.72	54.78	50.68	62.80	59.24	48.97	47.78
PERCENTAGE TO SMC					0.0%	0.9%	15.8%	7.1%	32.8%	25.2%	3.5%	1.0%
COLUMBUS, OH	43201	C	77.5	M10M	21.24	20.48	23.87	24.11	27.32	23.50	24.03	21.40
PERCENTAGE TO SMC					0.0%	-3.6%	12.4%	13.5%	28.6%	10.6%	13.1%	0.8%
AKRON, OH	44301	C	60	M5M	27.26	25.44	26.93	29.87	30.68	29.25	26.54	25.11
PERCENTAGE TO SMC					0.0%	-6.7%	-1.2%	9.6%	12.5%	7.3%	-2.6%	-7.9%
INDIANAPOLIS, IN	46201	C	70	L5C	74.45	72.13	81.57	81.15	95.73	79.25	77.73	71.16
PERCENTAGE TO SMC					0.0%	-3.1%	9.6%	9.0%	28.6%	6.4%	4.4%	-4.4%
SOUTH BEND, IN	46601	C	100	L5C	105.44	99.78	111.62	109.82	132.50	107.26	103.81	98.74
PERCENTAGE TO SMC					0.0%	-5.4%	5.9%	4.2%	25.7%	1.7%	-1.5%	-6.4%
DETROIT, MI	48201	C	85	M1M	60.16	70.00	77.70	59.21	74.26	57.83	66.82	58.50
PERCENTAGE TO SMC					0.0%	16.4%	29.2%	-1.6%	23.4%	-3.9%	11.1%	-2.8%
ALPENA, MI	49707	C	50	M1M	50.44	68.96	56.20	51.57	60.88	50.27	50.41	50.12
PERCENTAGE TO SMC					0.0%	36.7%	11.4%	2.2%	20.7%	-0.3%	-0.1%	-0.6%
AMES, IA	50010	MW	92.5	M10M	39.55	42.45	47.50	48.83	50.08	48.06	42.23	42.63
PERCENTAGE TO SMC					0.0%	7.3%	20.1%	23.5%	26.6%	21.5%	6.8%	7.8%
MILWAUKEE, WI	53201	C	92.5	M10M	33.28	31.39	34.70	37.03	41.49	36.42	30.96	34.43
PERCENTAGE TO SMC					0.0%	-5.7%	4.3%	11.3%	24.7%	9.4%	-7.0%	3.5%
MINNEAPOLIS, MN	55401	C	100	M5C	96.65	117.51	111.38	104.91	123.44	103.11	106.46	106.42
PERCENTAGE TO SMC					0.0%	21.6%	15.2%	8.5%	27.7%	6.7%	10.2%	10.1%
ABERDEEN, SD	57401	MW	60	M5M	36.77	47.68	47.77	42.37	44.78	41.71	46.45	48.24
PERCENTAGE TO SMC					0.0%	29.7%	29.9%	15.2%	21.8%	13.4%	26.3%	31.2%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM ATLANTA, GA - 30301 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	80.34	93.34	98.12	103.01	104.56	78.52	105.18	92.14
PERCENTAGE TO SMC					0.0%	16.2%	22.1%	28.2%	30.1%	-2.3%	30.9%	14.7%
PEORIA, IL	61601	C	85	M2M	47.16	44.65	48.95	46.61	57.88	45.44	42.83	44.16
PERCENTAGE TO SMC					0.0%	-5.3%	3.8%	-1.2%	22.7%	-3.6%	-9.2%	-6.4%
ST. LOUIS, MO	63101	MW	77.5	M5M	29.70	28.23	30.45	29.99	36.09	29.45	29.64	27.89
PERCENTAGE TO SMC					0.0%	-4.9%	2.5%	1.0%	21.5%	-0.8%	-0.2%	-6.1%
ROLLA, MO	65401	MW	70	M2M	39.60	42.14	46.28	41.19	48.00	40.58	44.93	37.96
PERCENTAGE TO SMC					0.0%	6.4%	16.9%	4.0%	21.2%	2.5%	13.5%	-4.1%
WICHITA, KS	67201	MW	65	M5C	65.96	70.10	74.11	73.20	81.55	72.09	74.84	64.65
PERCENTAGE TO SMC					0.0%	6.3%	12.4%	11.0%	23.6%	9.3%	13.5%	-2.0%
OMAHA, NE	68101	MW	55	M2M	40.97	48.79	43.80	41.96	51.01	41.20	40.51	41.68
PERCENTAGE TO SMC					0.0%	19.1%	6.9%	2.4%	24.5%	0.6%	-1.1%	1.7%
ALEXANDRIA, LA	71301	SW	77.5	M5M	30.93	32.65	35.36	32.17	34.76	31.65	31.60	33.39
PERCENTAGE TO SMC					0.0%	5.6%	14.3%	4.0%	12.4%	2.3%	2.2%	8.0%
FORT SMITH, AR	72901	SW	50	M10M	20.48	21.59	22.98	24.34	24.79	23.97	20.83	20.33
PERCENTAGE TO SMC					0.0%	5.4%	12.2%	18.8%	21.0%	17.0%	1.7%	-0.7%
OKLAHOMA CITY, OK	73101	SW	85	M1M	64.42	68.28	68.38	66.97	79.45	65.82	63.57	60.16
PERCENTAGE TO SMC					0.0%	6.0%	6.1%	4.0%	23.3%	2.2%	-1.3%	-6.6%
DALLAS, TX	75201	SW	70	M5M	35.68	36.51	39.04	39.71	38.87	36.31	37.11	35.34
PERCENTAGE TO SMC					0.0%	2.3%	9.4%	11.3%	8.9%	1.8%	4.0%	-1.0%
HOUSTON, TX	77001	SW	92.5	M5C	83.60	86.37	95.14	93.69	100.45	89.41	81.16	78.94
PERCENTAGE TO SMC					0.0%	3.3%	13.8%	12.1%	20.2%	6.9%	-2.9%	-5.6%
ABILENE, TX	79601	SW	60	L5C	68.94	84.02	84.56	89.49	87.85	88.28	81.80	67.75
PERCENTAGE TO SMC					0.0%	21.9%	22.7%	29.8%	27.4%	28.1%	18.7%	-1.7%
PUEBLO, CO	81001	MW	50	M1M	49.38	67.17	61.89	58.49	66.22	57.65	61.94	64.12
PERCENTAGE TO SMC					0.0%	36.0%	25.3%	18.4%	34.1%	16.7%	25.4%	29.9%
ALBUQUERQUE, NM	87101	SW	65	M2M	61.35	81.37	73.26	72.61	82.80	71.43	65.98	73.38
PERCENTAGE TO SMC					0.0%	32.6%	19.4%	18.4%	35.0%	16.4%	7.5%	19.6%
ROSWELL, NM	88201	SW	55	M5C	64.28	86.40	77.07	81.58	84.65	80.42	85.26	74.65
PERCENTAGE TO SMC					0.0%	34.4%	19.9%	26.9%	31.7%	25.1%	32.6%	16.1%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM BIRMINGHAM, AL - 35201 TO [IN ZIP ORDER]	ZIP	TERRI- TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	67.07	85.28	84.30	87.17	85.06	81.16	84.40	81.85
PERCENTAGE TO SMC					0.0%	27.2%	25.7%	30.0%	26.8%	21.0%	25.8%	22.0%
PORTLAND, ME	04101	E	70	M5C	80.60	105.33	99.55	95.38	103.13	93.93	91.11	108.74
PERCENTAGE TO SMC					0.0%	30.7%	23.5%	18.3%	28.0%	16.5%	13.0%	34.9%
NEWARK, NJ	07101	E	100	L5C	108.21	122.07	129.79	152.94	140.91	129.07	138.20	145.11
PERCENTAGE TO SMC					0.0%	12.8%	19.9%	41.3%	30.2%	19.3%	27.7%	34.1%
BUFFALO, NY	14201	E	65	M10M	30.23	31.36	30.58	33.67	35.34	33.10	29.65	27.95
PERCENTAGE TO SMC					0.0%	3.7%	1.2%	11.4%	16.9%	9.5%	-1.9%	-7.5%
PITTSBURGH, PA	15201	E	60	M5M	30.68	31.10	32.17	33.37	31.61	32.95	29.94	26.14
PERCENTAGE TO SMC					0.0%	1.4%	4.9%	8.8%	3.0%	7.4%	-2.4%	-14.8%
SCRANTON, PA	18501	E	85	M5C	85.12	93.87	87.64	90.29	101.51	88.83	81.38	92.92
PERCENTAGE TO SMC					0.0%	10.3%	3.0%	6.1%	19.3%	4.4%	-4.4%	9.2%
DOVER, DE	19901	E	70	M1M	56.71	61.07	58.54	59.77	66.04	58.91	53.87	59.64
PERCENTAGE TO SMC					0.0%	7.7%	3.2%	5.4%	16.5%	3.9%	-5.0%	5.2%
BALTIMORE, MD	21201	E	85	M5M	43.65	44.77	41.61	42.84	45.47	42.26	40.05	53.40
PERCENTAGE TO SMC					0.0%	2.6%	-4.7%	-1.9%	4.2%	-3.2%	-8.2%	22.3%
GREENSBORO, NC	27401	S	92.5	L5C	70.85	69.48	77.81	86.62	92.26	78.73	75.29	69.59
PERCENTAGE TO SMC					0.0%	-1.9%	9.8%	22.3%	30.2%	11.1%	6.3%	-1.8%
AIKEN, SC	29801	S	100	M5C	60.59	61.17	70.05	67.21	79.68	67.94	65.54	61.26
PERCENTAGE TO SMC					0.0%	1.0%	15.6%	10.9%	31.5%	12.1%	8.2%	1.1%
ATLANTA, GA	30301	S	100	M5C	43.81	44.29	58.43	63.16	57.66	71.63	63.40	44.22
PERCENTAGE TO SMC					0.0%	1.1%	33.4%	44.2%	31.6%	63.5%	44.7%	0.9%
DUBLIN, GA	31021	S	55	M2M	19.65	20.82	29.98	28.48	25.47	32.27	31.17	19.63
PERCENTAGE TO SMC					0.0%	6.0%	52.6%	44.9%	29.6%	64.2%	58.6%	-0.1%
JACKSONVILLE, FL	32201	S	60	L5C	56.24	56.14	66.85	80.59	62.10	77.43	73.12	65.38
PERCENTAGE TO SMC					0.0%	-0.2%	18.9%	43.3%	10.4%	37.7%	30.0%	16.3%
BIRMINGHAM, AL	35201	S	55	M1M	14.74	14.74	19.75	19.71	19.23	18.02	22.48	14.74
PERCENTAGE TO SMC					0.0%	0.0%	34.0%	33.7%	30.5%	22.3%	52.5%	0.0%
NASHVILLE, TN	37201	S	100	M2M	27.66	27.93	35.18	40.53	36.19	37.57	36.95	27.99
PERCENTAGE TO SMC					0.0%	1.0%	27.2%	46.5%	30.8%	35.8%	33.6%	1.2%
JACKSON, MS	39201	S	77.5	L5C	43.56	44.00	67.07	67.35	58.39	58.58	64.72	43.93
PERCENTAGE TO SMC					0.0%	1.0%	54.0%	54.6%	34.0%	34.5%	48.6%	0.8%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	40.92	41.34	51.67	44.37	54.43	45.33	43.62	41.38
PERCENTAGE TO SMC					0.0%	1.0%	26.3%	8.4%	33.0%	10.8%	6.6%	1.1%
COLUMBUS, OH	43201	C	77.5	M10M	21.24	20.48	22.72	24.22	27.32	23.68	22.77	21.40
PERCENTAGE TO SMC					0.0%	-3.6%	7.0%	14.0%	28.6%	11.5%	7.2%	0.8%
AKRON, OH	44301	C	60	M5M	27.70	25.75	27.26	30.75	31.07	30.13	26.97	25.42
PERCENTAGE TO SMC					0.0%	-7.0%	-1.6%	11.0%	12.2%	8.8%	-2.6%	-8.2%
INDIANAPOLIS, IN	46201	C	70	L5C	71.78	70.29	78.92	80.98	93.30	74.60	81.55	69.33
PERCENTAGE TO SMC					0.0%	-2.1%	9.9%	12.8%	30.0%	3.9%	13.6%	-3.4%
SOUTH BEND, IN	46601	C	100	L5C	103.71	98.62	109.31	111.51	130.89	109.04	104.80	97.56
PERCENTAGE TO SMC					0.0%	-4.9%	5.4%	7.5%	26.2%	5.1%	1.1%	-5.9%
DETROIT, MI	48201	C	85	M1M	60.16	70.00	76.58	59.62	74.26	58.12	66.15	58.50
PERCENTAGE TO SMC					0.0%	16.4%	27.3%	-0.9%	23.4%	-3.4%	10.0%	-2.8%
ALPENA, MI	49707	C	50	M1M	50.44	68.96	54.38	51.12	60.88	49.92	51.92	50.12
PERCENTAGE TO SMC					0.0%	36.7%	7.8%	1.3%	20.7%	-1.0%	2.9%	-0.6%
AMES, IA	50010	MW	92.5	M10M	37.76	39.02	42.02	44.56	46.04	43.87	40.23	39.19
PERCENTAGE TO SMC					0.0%	3.3%	11.3%	18.0%	21.9%	16.2%	6.5%	3.8%
MILWAUKEE, WI	53201	C	92.5	M10M	27.70	25.85	30.13	33.93	34.18	33.38	30.16	28.35
PERCENTAGE TO SMC					0.0%	-6.7%	8.8%	22.5%	23.4%	20.5%	8.9%	2.3%
MINNEAPOLIS, MN	55401	C	100	M5C	93.83	100.67	103.37	100.20	117.12	98.67	100.64	98.19
PERCENTAGE TO SMC					0.0%	7.3%	10.2%	6.8%	24.8%	5.2%	7.3%	4.6%
ABERDEEN, SD	57401	MW	60	M5M	35.77	45.50	44.56	40.52	42.77	39.82	46.00	46.04
PERCENTAGE TO SMC					0.0%	27.2%	24.6%	13.3%	19.6%	11.3%	28.6%	28.7%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM BIRMINGHAM, AL - 35201 TO [IN ZIP ORDER]	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS								
				SMC	1	2	3	4	5	6	7	
CHICAGO, IL	60601	C	65	L5C	76.51	90.09	94.68	101.78	101.05	77.20	101.45	88.85
PERCENTAGE TO SMC					0.0%	17.7%	23.7%	33.0%	32.1%	0.9%	32.6%	16.1%
PEORIA, IL	61601	C	85	M2M	44.06	42.47	45.78	45.09	55.09	43.96	45.25	42.01
PERCENTAGE TO SMC					0.0%	-3.6%	3.9%	2.3%	25.0%	-0.2%	2.7%	-4.7%
ST. LOUIS, MO	63101	MW	77.5	M5M	26.63	26.11	27.03	27.15	33.52	28.42	27.80	25.76
PERCENTAGE TO SMC					0.0%	-2.0%	1.5%	2.0%	25.9%	6.7%	4.4%	-3.3%
ROLLA, MO	65401	MW	70	M2M	35.59	34.79	41.57	36.68	44.66	41.15	44.19	33.64
PERCENTAGE TO SMC					0.0%	-2.2%	16.8%	3.1%	25.5%	15.6%	24.2%	-5.5%
WICHITA, KS	67201	MW	65	M5C	61.97	62.69	64.89	63.63	72.92	62.68	64.61	57.30
PERCENTAGE TO SMC					0.0%	1.2%	4.7%	2.7%	17.7%	1.1%	4.3%	-7.5%
OMAHA, NE	68101	MW	55	M2M	39.14	40.58	39.82	37.89	46.98	37.20	36.96	39.47
PERCENTAGE TO SMC					0.0%	3.7%	1.7%	-3.2%	20.0%	-5.0%	-5.6%	0.8%
ALEXANDRIA, LA	71301	SW	77.5	M5M	26.83	26.55	33.64	34.28	31.69	39.04	37.46	29.32
PERCENTAGE TO SMC					0.0%	-1.0%	25.4%	27.8%	18.1%	45.5%	39.6%	9.3%
FORT SMITH, AR	72901	SW	50	M10M	17.57	16.92	19.89	25.79	22.33	25.35	23.08	17.69
PERCENTAGE TO SMC					0.0%	-3.7%	13.2%	46.8%	27.1%	44.3%	31.4%	0.7%
OKLAHOMA CITY, OK	73101	SW	85	M1M	57.70	59.42	59.88	57.42	69.14	56.49	58.92	52.33
PERCENTAGE TO SMC					0.0%	3.0%	3.8%	-0.5%	19.8%	-2.1%	2.1%	-9.3%
DALLAS, TX	75201	SW	70	M5M	30.55	28.18	33.40	36.55	33.63	33.15	33.51	29.76
PERCENTAGE TO SMC					0.0%	-7.8%	9.3%	19.6%	10.1%	8.5%	9.7%	-2.6%
HOUSTON, TX	77001	SW	92.5	M5C	76.24	70.99	84.19	86.57	92.46	82.49	74.50	70.71
PERCENTAGE TO SMC					0.0%	-6.9%	10.4%	13.5%	21.3%	8.2%	-2.3%	-7.3%
ABILENE, TX	79601	SW	60	L5C	64.84	68.09	74.37	83.82	78.60	82.72	72.67	58.96
PERCENTAGE TO SMC					0.0%	5.0%	14.7%	29.3%	21.2%	27.6%	12.1%	-9.1%
PUEBLO, CO	81001	MW	50	M1M	47.38	63.14	57.66	53.99	61.81	53.15	58.69	59.82
PERCENTAGE TO SMC					0.0%	33.3%	21.7%	14.0%	30.5%	12.2%	23.9%	26.3%
ALBUQUERQUE, NM	87101	SW	65	M2M	57.63	76.68	67.90	68.17	77.66	67.09	59.75	68.78
PERCENTAGE TO SMC					0.0%	33.1%	17.8%	18.3%	34.8%	16.4%	3.7%	19.3%
ROSWELL, NM	88201	SW	55	M5C	61.61	80.98	71.92	76.31	78.76	75.28	81.88	69.46
PERCENTAGE TO SMC					0.0%	31.4%	16.7%	23.9%	27.8%	22.2%	32.9%	12.7%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM CHARLESTON, SC - 29401 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	62.31	68.06	76.00	75.56	74.94	75.94	74.23	74.84
PERCENTAGE TO SMC					0.0%	9.2%	22.0%	21.3%	20.3%	21.9%	19.1%	20.1%
PORTLAND, ME	04101	E	70	M5C	74.97	93.42	92.18	87.67	91.43	86.15	78.96	90.32
PERCENTAGE TO SMC					0.0%	24.6%	23.0%	16.9%	22.0%	14.9%	5.3%	20.5%
NEWARK, NJ	07101	E	100	L5C	99.23	108.23	119.37	134.71	124.96	116.10	124.04	128.92
PERCENTAGE TO SMC					0.0%	9.1%	20.3%	35.8%	25.9%	17.0%	25.0%	29.9%
BUFFALO, NY	14201	E	65	M10M	30.70	32.27	33.19	35.37	36.36	34.82	30.46	29.30
PERCENTAGE TO SMC					0.0%	5.1%	8.1%	15.2%	18.4%	13.4%	-0.8%	-4.6%
PITTSBURGH, PA	15201	E	60	M5M	30.68	31.10	32.53	33.66	31.61	33.24	32.12	26.65
PERCENTAGE TO SMC					0.0%	1.4%	6.0%	9.7%	3.0%	8.3%	4.7%	-13.1%
SCRANTON, PA	18501	E	85	M5C	78.59	82.80	86.91	81.23	89.53	79.96	100.86	85.55
PERCENTAGE TO SMC					0.0%	5.4%	10.6%	3.4%	13.9%	1.7%	28.3%	8.9%
DOVER, DE	19901	E	70	M1M	44.41	43.76	50.79	49.31	53.38	48.45	58.65	50.04
PERCENTAGE TO SMC					0.0%	-1.5%	14.4%	11.0%	20.2%	9.1%	32.1%	12.7%
BALTIMORE, MD	21201	E	85	M5M	33.51	32.09	36.99	35.57	36.56	35.05	44.65	38.74
PERCENTAGE TO SMC					0.0%	-4.2%	10.4%	6.1%	9.1%	4.6%	33.2%	15.6%
GREENSBORO, NC	27401	S	92.5	L5C	52.97	53.50	64.16	83.17	71.01	70.08	77.10	53.58
PERCENTAGE TO SMC					0.0%	1.0%	21.1%	57.0%	34.1%	32.3%	45.6%	1.2%
AIKEN, SC	29801	S	100	M5C	39.66	40.03	66.31	59.97	52.15	58.22	61.70	40.12
PERCENTAGE TO SMC					0.0%	0.9%	67.2%	51.2%	31.5%	46.8%	55.6%	1.2%
ATLANTA, GA	30301	S	100	M5C	56.38	56.96	72.52	73.47	74.16	84.05	78.61	56.87
PERCENTAGE TO SMC					0.0%	1.0%	28.6%	30.3%	31.5%	49.1%	39.4%	0.9%
DUBLIN, GA	31021	S	55	M2M	20.40	21.62	30.86	30.16	26.47	32.40	32.30	20.40
PERCENTAGE TO SMC					0.0%	6.0%	51.3%	47.8%	29.8%	58.8%	58.3%	0.0%
JACKSONVILLE, FL	32201	S	60	L5C	43.51	43.51	57.50	68.49	48.13	67.65	47.33	50.64
PERCENTAGE TO SMC					0.0%	0.0%	32.2%	57.4%	10.6%	55.5%	8.8%	16.4%
BIRMINGHAM, AL	35201	S	55	M1M	32.66	32.31	39.57	39.40	42.13	39.19	33.26	32.25
PERCENTAGE TO SMC					0.0%	-1.1%	21.2%	20.6%	29.0%	20.0%	1.8%	-1.3%
NASHVILLE, TN	37201	S	100	M2M	48.05	46.05	52.40	51.04	59.68	50.18	52.56	46.10
PERCENTAGE TO SMC					0.0%	-4.2%	9.1%	6.2%	24.2%	4.4%	9.4%	-4.1%
JACKSON, MS	39201	S	77.5	L5C	71.03	66.13	90.11	82.13	87.78	80.62	74.72	66.03
PERCENTAGE TO SMC					0.0%	-6.9%	26.9%	15.6%	23.6%	13.5%	5.2%	-7.0%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	58.44	55.87	62.69	58.82	72.10	57.86	57.11	54.84
PERCENTAGE TO SMC					0.0%	-4.4%	7.3%	0.7%	23.4%	-1.0%	-2.3%	-6.2%
COLUMBUS, OH	43201	C	77.5	M10M	23.87	22.28	25.86	27.69	29.76	27.06	27.44	23.27
PERCENTAGE TO SMC					0.0%	-6.7%	8.3%	16.0%	24.7%	13.4%	15.0%	-2.5%
AKRON, OH	44301	C	60	M5M	33.83	31.91	31.56	34.81	38.47	34.08	30.32	31.50
PERCENTAGE TO SMC					0.0%	-5.7%	-6.7%	2.9%	13.7%	0.7%	-10.4%	-6.9%
INDIANAPOLIS, IN	46201	C	70	L5C	86.01	80.47	85.38	88.91	106.82	86.64	89.78	79.42
PERCENTAGE TO SMC					0.0%	-6.4%	-0.7%	3.4%	24.2%	0.7%	4.4%	-7.7%
SOUTH BEND, IN	46601	C	100	L5C	115.08	110.67	122.74	127.71	146.92	124.46	119.46	109.52
PERCENTAGE TO SMC					0.0%	-3.8%	6.7%	11.0%	27.7%	8.2%	3.8%	-4.8%
DETROIT, MI	48201	C	85	M1M	69.63	83.03	86.12	68.56	88.08	67.02	76.04	69.40
PERCENTAGE TO SMC					0.0%	19.2%	23.7%	-1.5%	26.5%	-3.7%	9.2%	-0.3%
ALPENA, MI	49707	C	50	M1M	52.79	75.35	59.09	57.30	66.52	55.84	56.64	54.74
PERCENTAGE TO SMC					0.0%	42.7%	11.9%	8.5%	26.0%	5.8%	7.3%	3.7%
AMES, IA	50010	MW	92.5	M10M	43.13	49.32	53.06	58.48	58.14	57.60	54.86	49.52
PERCENTAGE TO SMC					0.0%	14.4%	23.0%	35.6%	34.8%	33.5%	27.2%	14.8%
MILWAUKEE, WI	53201	C	92.5	M10M	34.88	34.48	38.27	40.97	45.54	40.30	40.17	37.80
PERCENTAGE TO SMC					0.0%	-1.1%	9.7%	17.5%	30.6%	15.5%	15.2%	8.4%
MINNEAPOLIS, MN	55401	C	100	M5C	105.21	135.53	122.31	122.38	142.36	120.13	127.32	122.76
PERCENTAGE TO SMC					0.0%	28.8%	16.3%	16.3%	35.3%	14.2%	21.0%	16.7%
ABERDEEN, SD	57401	MW	60	M5M	41.31	54.17	50.64	48.27	50.88	47.45	56.76	54.82
PERCENTAGE TO SMC					0.0%	31.1%	22.6%	16.8%	23.2%	14.9%	37.4%	32.7%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM CHARLESTON, SC - 29401 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	85.70	103.01	105.27	113.09	114.80	88.28	118.33	101.60
PERCENTAGE TO SMC					0.0%	20.2%	22.8%	32.0%	34.0%	3.0%	38.1%	18.6%
PEORIA, IL	61601	C	85	M2M	59.09	57.36	59.43	60.73	74.36	59.36	56.01	56.76
PERCENTAGE TO SMC					0.0%	-2.9%	0.6%	2.8%	25.8%	0.5%	-5.2%	-3.9%
ST. LOUIS, MO	63101	MW	77.5	M5M	39.79	37.90	37.89	39.09	47.65	38.48	38.19	37.41
PERCENTAGE TO SMC					0.0%	-4.7%	-4.8%	-1.8%	19.8%	-3.3%	-4.0%	-6.0%
ROLLA, MO	65401	MW	70	M2M	48.31	53.87	57.09	52.28	61.35	51.32	56.28	48.05
PERCENTAGE TO SMC					0.0%	11.5%	18.2%	8.2%	27.0%	6.2%	16.5%	-0.5%
WICHITA, KS	67201	MW	65	M5C	71.93	81.45	81.80	85.36	94.71	83.81	86.86	72.38
PERCENTAGE TO SMC					0.0%	13.2%	13.7%	18.7%	31.7%	16.5%	20.8%	0.6%
OMAHA, NE	68101	MW	55	M2M	44.62	51.00	48.68	49.72	59.06	48.85	49.80	49.61
PERCENTAGE TO SMC					0.0%	14.3%	9.1%	11.4%	32.4%	9.5%	11.6%	11.2%
ALEXANDRIA, LA	71301	SW	77.5	M5M	39.14	40.58	40.58	39.88	43.24	39.15	41.06	41.15
PERCENTAGE TO SMC					0.0%	3.7%	3.7%	1.9%	10.5%	0.0%	4.9%	5.1%
FORT SMITH, AR	72901	SW	50	M10M	25.11	27.70	27.52	30.84	31.82	30.27	26.04	25.16
PERCENTAGE TO SMC					0.0%	10.3%	9.6%	22.8%	26.7%	20.5%	3.7%	0.2%
OKLAHOMA CITY, OK	73101	SW	85	M1M	70.35	79.64	76.18	78.73	92.71	77.45	77.78	72.81
PERCENTAGE TO SMC					0.0%	13.2%	8.3%	11.9%	31.8%	10.1%	10.6%	3.5%
DALLAS, TX	75201	SW	70	M5M	39.07	42.91	43.65	45.23	45.74	42.27	45.04	41.59
PERCENTAGE TO SMC					0.0%	9.8%	11.7%	15.8%	17.1%	8.2%	15.3%	6.4%
HOUSTON, TX	77001	SW	92.5	M5C	90.20	99.06	100.10	104.49	115.20	101.87	93.85	90.56
PERCENTAGE TO SMC					0.0%	9.8%	11.0%	15.8%	27.7%	12.9%	4.0%	0.4%
ABILENE, TX	79601	SW	60	L5C	74.07	95.02	94.36	99.77	99.37	98.04	94.18	76.66
PERCENTAGE TO SMC					0.0%	28.3%	27.4%	34.7%	34.2%	32.4%	27.1%	3.5%
PUEBLO, CO	81001	MW	50	M1M	55.77	76.01	66.84	67.63	75.02	66.64	70.10	72.67
PERCENTAGE TO SMC					0.0%	36.3%	19.8%	21.3%	34.5%	19.5%	25.7%	30.3%
ALBUQUERQUE, NM	87101	SW	65	M2M	68.81	91.42	80.85	82.10	93.14	80.89	75.73	82.53
PERCENTAGE TO SMC					0.0%	32.9%	17.5%	19.3%	35.4%	17.6%	10.1%	19.9%
ROSWELL, NM	88201	SW	55	M5C	70.35	95.48	84.39	92.39	94.52	91.11	96.33	83.36
PERCENTAGE TO SMC					0.0%	35.7%	20.0%	31.3%	34.4%	29.5%	36.9%	18.5%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM DOTHAN, AL - 36301 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	69.03	89.32	89.65	88.41	89.11	89.30	88.99	85.76
PERCENTAGE TO SMC					0.0%	29.4%	29.9%	28.1%	29.1%	29.4%	28.9%	24.2%
PORTLAND, ME	04101	E	70	M5C	84.06	110.15	104.94	101.88	107.80	100.19	95.40	113.66
PERCENTAGE TO SMC					0.0%	31.0%	24.8%	21.2%	28.2%	19.2%	13.5%	35.2%
NEWARK, NJ	07101	E	100	L5C	110.97	127.36	139.24	164.03	147.03	138.59	151.89	151.35
PERCENTAGE TO SMC					0.0%	14.8%	25.5%	47.8%	32.5%	24.9%	36.9%	36.4%
BUFFALO, NY	14201	E	65	M10M	32.61	35.85	35.20	38.37	40.36	37.67	36.00	31.93
PERCENTAGE TO SMC					0.0%	9.9%	7.9%	17.7%	23.8%	15.5%	10.4%	-2.1%
PITTSBURGH, PA	15201	E	60	M5M	34.82	37.05	37.54	37.52	37.66	37.00	34.23	31.14
PERCENTAGE TO SMC					0.0%	6.4%	7.8%	7.8%	8.2%	6.3%	-1.7%	-10.6%
SCRANTON, PA	18501	E	85	M5C	89.03	101.46	97.00	99.34	109.70	97.80	95.32	100.40
PERCENTAGE TO SMC					0.0%	14.0%	9.0%	11.6%	23.2%	9.9%	7.1%	12.8%
DOVER, DE	19901	E	70	M1M	57.61	62.78	61.90	63.50	67.90	62.39	55.12	61.33
PERCENTAGE TO SMC					0.0%	9.0%	7.4%	10.2%	17.9%	8.3%	-4.3%	6.5%
BALTIMORE, MD	21201	E	85	M5M	45.06	47.38	44.61	46.26	48.13	45.62	42.43	56.53
PERCENTAGE TO SMC					0.0%	5.1%	-1.0%	2.7%	6.8%	1.2%	-5.8%	25.5%
GREENSBORO, NC	27401	S	92.5	L5C	76.00	72.80	82.47	92.34	96.61	91.24	80.16	72.91
PERCENTAGE TO SMC					0.0%	-4.2%	8.5%	21.5%	27.1%	20.1%	5.5%	-4.1%
AIKEN, SC	29801	S	100	M5C	56.38	56.96	72.89	81.06	74.16	72.14	62.35	57.04
PERCENTAGE TO SMC					0.0%	1.0%	29.3%	43.8%	31.5%	28.0%	10.6%	1.2%
ATLANTA, GA	30301	S	100	M5C	52.22	52.72	68.14	73.47	68.66	76.34	72.72	52.65
PERCENTAGE TO SMC					0.0%	1.0%	30.5%	40.7%	31.5%	46.2%	39.3%	0.8%
DUBLIN, GA	31021	S	55	M2M	17.38	18.42	26.94	25.34	22.52	25.53	26.92	17.34
PERCENTAGE TO SMC					0.0%	6.0%	55.0%	45.8%	29.6%	46.9%	54.9%	-0.2%
JACKSONVILLE, FL	32201	S	60	L5C	43.51	43.51	58.59	56.73	48.13	65.93	59.74	50.64
PERCENTAGE TO SMC					0.0%	0.0%	34.7%	30.4%	10.6%	51.5%	37.3%	16.4%
BIRMINGHAM, AL	35201	S	55	M1M	22.61	22.62	32.64	31.97	29.50	23.21	32.58	22.61
PERCENTAGE TO SMC					0.0%	0.0%	44.4%	41.4%	30.5%	2.7%	44.1%	0.0%
NASHVILLE, TN	37201	S	100	M2M	40.45	41.16	48.58	54.38	53.35	52.25	52.55	41.24
PERCENTAGE TO SMC					0.0%	1.8%	20.1%	34.4%	31.9%	29.2%	29.9%	2.0%
JACKSON, MS	39201	S	77.5	L5C	52.68	53.18	79.75	79.71	70.64	67.00	77.19	53.09
PERCENTAGE TO SMC					0.0%	0.9%	51.4%	51.3%	34.1%	27.2%	46.5%	0.8%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	53.50	52.61	63.32	54.42	67.97	50.96	53.13	51.70
PERCENTAGE TO SMC					0.0%	-1.7%	18.4%	1.7%	27.0%	-4.7%	-0.7%	-3.4%
COLUMBUS, OH	43201	C	77.5	M10M	28.68	27.05	28.85	29.96	36.13	29.24	28.17	28.26
PERCENTAGE TO SMC					0.0%	-5.7%	0.6%	4.5%	26.0%	2.0%	-1.8%	-1.5%
AKRON, OH	44301	C	60	M5M	34.16	32.53	32.55	36.19	39.25	35.46	31.00	32.11
PERCENTAGE TO SMC					0.0%	-4.8%	-4.7%	5.9%	14.9%	3.8%	-9.3%	-6.0%
INDIANAPOLIS, IN	46201	C	70	L5C	82.44	77.71	83.17	85.30	103.14	83.19	82.57	76.67
PERCENTAGE TO SMC					0.0%	-5.7%	0.9%	3.5%	25.1%	0.9%	0.2%	-7.0%
SOUTH BEND, IN	46601	C	100	L5C	113.98	108.58	122.74	125.08	144.14	121.89	120.17	107.41
PERCENTAGE TO SMC					0.0%	-4.7%	7.7%	9.7%	26.5%	6.9%	5.4%	-5.8%
DETROIT, MI	48201	C	85	M1M	70.29	84.61	88.25	69.92	89.78	68.20	82.46	70.74
PERCENTAGE TO SMC					0.0%	20.4%	25.6%	-0.5%	27.7%	-3.0%	17.3%	0.6%
ALPENA, MI	49707	C	50	M1M	52.33	74.07	60.56	56.72	65.40	55.27	58.11	53.82
PERCENTAGE TO SMC					0.0%	41.5%	15.7%	8.4%	25.0%	5.6%	11.0%	2.8%
AMES, IA	50010	MW	92.5	M10M	40.74	44.73	49.34	52.68	52.72	51.78	48.92	44.93
PERCENTAGE TO SMC					0.0%	9.8%	21.1%	29.3%	29.4%	27.1%	20.1%	10.3%
MILWAUKEE, WI	53201	C	92.5	M10M	34.26	33.26	37.06	39.99	43.91	39.30	35.60	36.48
PERCENTAGE TO SMC					0.0%	-2.9%	8.2%	16.7%	28.2%	14.7%	3.9%	6.5%
MINNEAPOLIS, MN	55401	C	100	M5C	100.91	114.26	118.53	114.58	132.96	112.59	118.83	111.42
PERCENTAGE TO SMC					0.0%	13.2%	17.5%	13.5%	31.8%	11.6%	17.8%	10.4%
ABERDEEN, SD	57401	MW	60	M5M	38.10	49.83	48.86	45.32	46.82	44.65	51.52	50.44
PERCENTAGE TO SMC					0.0%	30.8%	28.2%	19.0%	22.9%	17.2%	35.2%	32.4%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM DOTHAN, AL - 36301 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	84.09	99.18	103.87	109.43	110.74	84.53	112.44	97.83
PERCENTAGE TO SMC					0.0%	17.9%	23.5%	30.1%	31.7%	0.5%	33.7%	16.3%
PEORIA, IL	61601	C	85	M2M	57.42	54.17	56.99	54.25	70.22	53.02	50.49	53.56
PERCENTAGE TO SMC					0.0%	-5.7%	-0.7%	-5.5%	22.3%	-7.7%	-12.1%	-6.7%
ST. LOUIS, MO	63101	MW	77.5	M5M	31.25	29.29	31.16	32.15	37.36	31.61	31.84	28.88
PERCENTAGE TO SMC					0.0%	-6.3%	-0.3%	2.9%	19.6%	1.2%	1.9%	-7.6%
ROLLA, MO	65401	MW	70	M2M	41.88	38.95	49.66	43.69	50.02	42.98	50.20	37.66
PERCENTAGE TO SMC					0.0%	-7.0%	18.6%	4.3%	19.4%	2.6%	19.9%	-10.1%
WICHITA, KS	67201	MW	65	M5C	65.96	70.10	75.80	74.03	81.55	72.75	78.86	64.07
PERCENTAGE TO SMC					0.0%	6.3%	14.9%	12.2%	23.6%	10.3%	19.6%	-2.9%
OMAHA, NE	68101	MW	55	M2M	42.19	46.35	45.69	44.82	53.67	43.99	44.89	45.09
PERCENTAGE TO SMC					0.0%	9.9%	8.3%	6.2%	27.2%	4.3%	6.4%	6.9%
ALEXANDRIA, LA	71301	SW	77.5	M5M	30.25	28.70	39.27	39.04	34.27	36.72	43.29	31.67
PERCENTAGE TO SMC					0.0%	-5.1%	29.8%	29.1%	13.3%	21.4%	43.1%	4.7%
FORT SMITH, AR	72901	SW	50	M10M	20.89	19.40	24.66	31.23	25.10	30.75	29.68	19.84
PERCENTAGE TO SMC					0.0%	-7.1%	18.0%	49.5%	20.2%	47.2%	42.1%	-5.0%
OKLAHOMA CITY, OK	73101	SW	85	M1M	64.42	68.28	68.56	67.64	79.45	66.46	69.78	60.16
PERCENTAGE TO SMC					0.0%	6.0%	6.4%	5.0%	23.3%	3.2%	8.3%	-6.6%
DALLAS, TX	75201	SW	70	M5M	35.68	32.60	37.79	40.25	38.87	37.17	37.74	34.39
PERCENTAGE TO SMC					0.0%	-8.6%	5.9%	12.8%	8.9%	4.2%	5.8%	-3.6%
HOUSTON, TX	77001	SW	92.5	M5C	79.39	72.98	88.47	90.21	95.06	85.89	77.27	72.70
PERCENTAGE TO SMC					0.0%	-8.1%	11.4%	13.6%	19.7%	8.2%	-2.7%	-8.4%
ABILENE, TX	79601	SW	60	L5C	67.91	74.07	82.73	89.90	85.51	88.60	83.57	64.14
PERCENTAGE TO SMC					0.0%	9.1%	21.8%	32.4%	25.9%	30.5%	23.1%	-5.6%
PUEBLO, CO	81001	MW	50	M1M	50.46	68.56	64.78	61.38	67.69	60.37	66.69	65.55
PERCENTAGE TO SMC					0.0%	35.9%	28.4%	21.6%	34.1%	19.6%	32.2%	29.9%
ALBUQUERQUE, NM	87101	SW	65	M2M	61.35	81.37	74.89	72.96	82.80	71.74	68.76	73.38
PERCENTAGE TO SMC					0.0%	32.6%	22.1%	18.9%	35.0%	16.9%	12.1%	19.6%
ROSWELL, NM	88201	SW	55	M5C	63.39	84.58	77.60	82.28	82.72	81.00	86.96	72.92
PERCENTAGE TO SMC					0.0%	33.4%	22.4%	29.8%	30.5%	27.8%	37.2%	15.0%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM DUBLIN, GA - 31021 TO [IN ZIP ORDER]	ZIP	TERRI- TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	66.12	75.37	87.73	83.22	83.04	81.72	97.99	82.53
PERCENTAGE TO SMC					0.0%	14.0%	32.7%	25.9%	25.6%	23.6%	48.2%	24.8%
PORTLAND, ME	04101	E	70	M5C	79.43	102.97	105.09	96.16	100.76	94.62	103.61	100.44
PERCENTAGE TO SMC					0.0%	29.6%	32.3%	21.1%	26.9%	19.1%	30.4%	26.5%
NEWARK, NJ	07101	E	100	L5C	106.82	119.50	142.79	155.05	137.91	129.27	157.47	141.53
PERCENTAGE TO SMC					0.0%	11.9%	33.7%	45.2%	29.1%	21.0%	47.4%	32.5%
BUFFALO, NY	14201	E	65	M10M	31.65	34.06	36.90	36.46	38.36	35.96	39.27	30.93
PERCENTAGE TO SMC					0.0%	7.6%	16.6%	15.2%	21.2%	13.6%	24.1%	-2.3%
PITTSBURGH, PA	15201	E	60	M5M	34.27	36.03	40.66	36.72	36.60	36.28	41.23	30.87
PERCENTAGE TO SMC					0.0%	5.1%	18.6%	7.1%	6.8%	5.9%	20.3%	-9.9%
SCRANTON, PA	18501	E	85	M5C	85.12	93.87	98.38	92.99	101.51	91.43	103.33	97.55
PERCENTAGE TO SMC					0.0%	10.3%	15.6%	9.2%	19.3%	7.4%	21.4%	14.6%
DOVER, DE	19901	E	70	M1M	53.44	49.80	60.65	58.85	60.72	58.06	62.78	58.00
PERCENTAGE TO SMC					0.0%	-6.8%	13.5%	10.1%	13.6%	8.6%	17.5%	8.5%
BALTIMORE, MD	21201	E	85	M5M	39.67	36.02	44.08	42.01	40.99	41.44	47.78	44.17
PERCENTAGE TO SMC					0.0%	-9.2%	11.1%	5.9%	3.3%	4.5%	20.4%	11.3%
GREENSBORO, NC	27401	S	92.5	L5C	65.70	66.23	84.40	83.12	87.92	73.71	89.09	66.18
PERCENTAGE TO SMC					0.0%	0.8%	28.5%	26.5%	33.8%	12.2%	35.6%	0.7%
AIKEN, SC	29801	S	100	M5C	45.90	46.36	69.80	68.48	60.37	52.81	74.75	46.32
PERCENTAGE TO SMC					0.0%	1.0%	52.1%	49.2%	31.5%	15.1%	62.9%	0.9%
ATLANTA, GA	30301	S	100	M5C	41.77	42.17	65.94	61.42	54.92	56.89	73.01	42.10
PERCENTAGE TO SMC					0.0%	1.0%	57.9%	47.0%	31.5%	36.2%	74.8%	0.8%
DUBLIN, GA	31021	S	55	M2M	11.32	12.01	21.71	15.55	14.70	16.11	22.09	11.32
PERCENTAGE TO SMC					0.0%	6.1%	91.8%	37.4%	29.9%	42.3%	95.1%	0.0%
JACKSONVILLE, FL	32201	S	60	L5C	47.16	47.14	66.02	73.16	52.15	63.37	74.47	54.86
PERCENTAGE TO SMC					0.0%	0.0%	40.0%	55.1%	10.6%	34.4%	57.9%	16.3%
BIRMINGHAM, AL	35201	S	55	M1M	25.58	25.58	38.53	36.15	33.33	34.41	42.38	25.55
PERCENTAGE TO SMC					0.0%	0.0%	50.6%	41.3%	30.3%	34.5%	65.7%	-0.1%
NASHVILLE, TN	37201	S	100	M2M	40.45	41.16	53.64	44.15	53.35	52.71	60.96	41.12
PERCENTAGE TO SMC					0.0%	1.8%	32.6%	9.1%	31.9%	30.3%	50.7%	1.7%
JACKSON, MS	39201	S	77.5	L5C	59.26	58.63	92.09	73.26	77.84	77.28	98.08	58.56
PERCENTAGE TO SMC					0.0%	-1.1%	55.4%	23.6%	31.4%	30.4%	65.5%	-1.2%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	53.50	52.61	67.40	56.58	67.97	59.49	66.39	51.70
PERCENTAGE TO SMC					0.0%	-1.7%	26.0%	5.8%	27.0%	11.2%	24.1%	-3.4%
COLUMBUS, OH	43201	C	77.5	M10M	22.74	21.54	28.87	26.35	28.73	25.76	30.46	22.45
PERCENTAGE TO SMC					0.0%	-5.3%	27.0%	15.9%	26.3%	13.3%	33.9%	-1.3%
AKRON, OH	44301	C	60	M5M	33.51	31.31	34.42	33.81	37.75	33.18	34.24	30.87
PERCENTAGE TO SMC					0.0%	-6.6%	2.7%	0.9%	12.7%	-1.0%	2.2%	-7.9%
INDIANAPOLIS, IN	46201	C	70	L5C	79.78	75.86	92.01	85.36	100.68	83.39	93.15	74.84
PERCENTAGE TO SMC					0.0%	-4.9%	15.3%	7.0%	26.2%	4.5%	16.8%	-6.2%
SOUTH BEND, IN	46601	C	100	L5C	111.81	104.61	127.66	118.41	138.86	115.54	133.59	103.53
PERCENTAGE TO SMC					0.0%	-6.4%	14.2%	5.9%	24.2%	3.3%	19.5%	-7.4%
DETROIT, MI	48201	C	85	M1M	68.31	79.91	89.09	64.44	84.76	63.02	83.71	66.76
PERCENTAGE TO SMC					0.0%	17.0%	30.4%	-5.7%	24.1%	-7.7%	22.5%	-2.3%
ALPENA, MI	49707	C	50	M1M	51.38	71.51	62.84	55.31	63.15	53.93	64.01	51.97
PERCENTAGE TO SMC					0.0%	39.2%	22.3%	7.6%	22.9%	5.0%	24.6%	1.1%
AMES, IA	50010	MW	92.5	M10M	40.74	44.73	54.59	52.93	52.72	52.19	56.75	44.93
PERCENTAGE TO SMC					0.0%	9.8%	34.0%	29.9%	29.4%	28.1%	39.3%	10.3%
MILWAUKEE, WI	53201	C	92.5	M10M	34.26	33.26	40.68	40.04	43.91	39.46	41.30	36.48
PERCENTAGE TO SMC					0.0%	-2.9%	18.7%	16.9%	28.2%	15.2%	20.5%	6.5%
MINNEAPOLIS, MN	55401	C	100	M5C	100.91	126.50	128.81	115.07	132.96	113.12	137.85	114.56
PERCENTAGE TO SMC					0.0%	25.4%	27.6%	14.0%	31.8%	12.1%	36.6%	13.5%
ABERDEEN, SD	57401	MW	60	M5M	38.10	49.83	53.17	45.49	46.82	44.78	59.76	50.44
PERCENTAGE TO SMC					0.0%	30.8%	39.6%	19.4%	22.9%	17.5%	56.9%	32.4%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM DUBLIN, GA - 31021 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	83.28	97.28	109.97	107.82	108.71	83.01	125.30	95.98
PERCENTAGE TO SMC					0.0%	16.8%	32.0%	29.5%	30.5%	-0.3%	50.5%	15.2%
PEORIA, IL	61601	C	85	M2M	50.01	46.80	57.24	52.26	60.67	51.13	57.10	46.30
PERCENTAGE TO SMC					0.0%	-6.4%	14.5%	4.5%	21.3%	2.2%	14.2%	-7.4%
ST. LOUIS, MO	63101	MW	77.5	M5M	32.27	30.00	36.59	33.66	38.19	33.08	38.41	29.61
PERCENTAGE TO SMC					0.0%	-7.0%	13.4%	4.3%	18.3%	2.5%	19.0%	-8.2%
ROLLA, MO	65401	MW	70	M2M	45.44	48.22	56.39	46.54	54.87	45.87	60.19	43.40
PERCENTAGE TO SMC					0.0%	6.1%	24.1%	2.4%	20.8%	0.9%	32.5%	-4.5%
WICHITA, KS	67201	MW	65	M5C	67.94	73.91	84.42	78.22	85.94	76.90	95.76	68.16
PERCENTAGE TO SMC					0.0%	8.8%	24.3%	15.1%	26.5%	13.2%	40.9%	0.3%
OMAHA, NE	68101	MW	55	M2M	42.19	51.31	50.18	45.05	53.67	44.30	52.07	43.85
PERCENTAGE TO SMC					0.0%	21.6%	18.9%	6.8%	27.2%	5.0%	23.4%	3.9%
ALEXANDRIA, LA	71301	SW	77.5	M5M	32.99	34.08	40.78	34.95	36.32	34.41	40.51	34.87
PERCENTAGE TO SMC					0.0%	3.3%	23.6%	5.9%	10.1%	4.3%	22.8%	5.7%
FORT SMITH, AR	72901	SW	50	M10M	23.62	24.81	27.61	27.59	28.50	27.20	27.94	23.39
PERCENTAGE TO SMC					0.0%	5.0%	16.9%	16.8%	20.7%	15.2%	18.3%	-1.0%
OKLAHOMA CITY, OK	73101	SW	85	M1M	66.40	72.07	78.35	71.71	83.85	70.64	85.08	63.48
PERCENTAGE TO SMC					0.0%	8.5%	18.0%	8.0%	26.3%	6.4%	28.1%	-4.4%
DALLAS, TX	75201	SW	70	M5M	36.81	38.63	45.08	42.58	41.13	39.66	45.62	37.42
PERCENTAGE TO SMC					0.0%	4.9%	22.5%	15.7%	11.7%	7.7%	23.9%	1.7%
HOUSTON, TX	77001	SW	92.5	M5C	84.92	88.87	105.43	98.07	103.37	93.67	97.74	81.29
PERCENTAGE TO SMC					0.0%	4.7%	24.2%	15.5%	21.7%	10.3%	15.1%	-4.3%
ABILENE, TX	79601	SW	60	L5C	69.96	86.26	93.55	94.46	90.13	93.13	101.63	69.54
PERCENTAGE TO SMC					0.0%	23.3%	33.7%	35.0%	28.8%	33.1%	45.3%	-0.6%
PUEBLO, CO	81001	MW	50	M1M	51.52	69.89	68.96	62.88	69.14	61.88	78.93	66.96
PERCENTAGE TO SMC					0.0%	35.7%	33.9%	22.0%	34.2%	20.1%	53.2%	30.0%
ALBUQUERQUE, NM	87101	SW	65	M2M	63.85	85.26	81.70	76.37	86.25	75.29	83.62	76.43
PERCENTAGE TO SMC					0.0%	33.5%	28.0%	19.6%	35.1%	17.9%	31.0%	19.7%
ROSWELL, NM	88201	SW	55	M5C	65.17	87.32	85.29	85.96	86.63	84.59	106.12	76.40
PERCENTAGE TO SMC					0.0%	34.0%	30.9%	31.9%	32.9%	29.8%	62.8%	17.2%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM ELIZABETHTOWN, KY - 42701		TERRI-		WEIGHT		RATE IN DOLLARS AND CENTS PER 100 POUNDS							
TO [IN ZIP ORDER]	ZIP	TORY	CLASS	GROUP	SMC	1	2	3	4	5	6	7	
BOSTON, MA	02101	E	50	L5C	63.26	69.86	73.74	75.45	63.65	73.00	75.92	71.36	
PERCENTAGE TO SMC					0.0%	10.4%	16.6%	19.3%	0.6%	15.4%	20.0%	12.8%	
PORTLAND, ME	04101	E	70	M5C	76.09	95.77	90.78	86.51	77.52	85.18	81.28	93.73	
PERCENTAGE TO SMC					0.0%	25.9%	19.3%	13.7%	1.9%	11.9%	6.8%	23.2%	
NEWARK, NJ	07101	E	100	L5C	105.44	116.84	124.69	143.52	111.47	120.96	132.84	134.22	
PERCENTAGE TO SMC					0.0%	10.8%	18.3%	36.1%	5.7%	14.7%	26.0%	27.3%	
BUFFALO, NY	14201	E	65	M10M	22.66	24.30	23.82	26.23	22.60	25.75	22.58	21.72	
PERCENTAGE TO SMC					0.0%	7.2%	5.1%	15.8%	-0.3%	13.6%	-0.4%	-4.1%	
PITTSBURGH, PA	15201	E	60	M5M	22.57	25.26	25.41	25.53	18.45	25.18	21.80	21.34	
PERCENTAGE TO SMC					0.0%	11.9%	12.6%	13.1%	-18.3%	11.6%	-3.4%	-5.4%	
SCRANTON, PA	18501	E	85	M5C	78.59	82.80	79.95	76.69	74.01	75.53	74.48	84.71	
PERCENTAGE TO SMC					0.0%	5.4%	1.7%	-2.4%	-5.8%	-3.9%	-5.2%	7.8%	
DOVER, DE	19901	E	70	M1M	55.82	59.33	56.60	57.45	53.07	56.51	52.68	59.72	
PERCENTAGE TO SMC					0.0%	6.3%	1.4%	2.9%	-4.9%	1.2%	-5.6%	7.0%	
BALTIMORE, MD	21201	E	85	M5M	38.12	39.26	37.68	37.46	32.97	36.83	36.76	46.28	
PERCENTAGE TO SMC					0.0%	3.0%	-1.2%	-1.7%	-13.5%	-3.4%	-3.6%	21.4%	
GREENSBORO, NC	27401	S	92.5	L5C	74.29	71.67	81.29	88.31	96.18	73.60	79.21	71.80	
PERCENTAGE TO SMC					0.0%	-3.5%	9.4%	18.9%	29.5%	-0.9%	6.6%	-3.4%	
AIKEN, SC	29801	S	100	M5C	74.91	71.75	89.19	81.19	94.44	74.89	73.13	71.84	
PERCENTAGE TO SMC					0.0%	-4.2%	19.1%	8.4%	26.1%	0.0%	-2.4%	-4.1%	
ATLANTA, GA	30301	S	100	M5C	64.76	65.27	80.69	71.95	85.92	81.91	72.07	65.41	
PERCENTAGE TO SMC					0.0%	0.8%	24.6%	11.1%	32.7%	26.5%	11.3%	1.0%	
DUBLIN, GA	31021	S	55	M2M	29.49	29.88	37.69	30.88	36.92	35.79	34.44	28.15	
PERCENTAGE TO SMC					0.0%	1.3%	27.8%	4.7%	25.2%	21.4%	16.8%	-4.5%	
JACKSONVILLE, FL	32201	S	60	L5C	75.35	75.02	82.24	86.41	76.20	85.42	74.29	85.02	
PERCENTAGE TO SMC					0.0%	-0.4%	9.1%	14.7%	1.1%	13.4%	-1.4%	12.8%	
BIRMINGHAM, AL	35201	S	55	M1M	27.54	27.56	38.29	30.02	36.27	28.77	29.91	27.50	
PERCENTAGE TO SMC					0.0%	0.1%	39.0%	9.0%	31.7%	4.5%	8.6%	-0.1%	
NASHVILLE, TN	37201	S	100	M2M	24.06	24.30	30.10	27.45	25.14	29.14	33.50	24.30	
PERCENTAGE TO SMC					0.0%	1.0%	25.1%	14.1%	4.5%	21.1%	39.2%	1.0%	
JACKSON, MS	39201	S	77.5	L5C	60.73	59.55	87.33	69.87	79.90	68.58	62.88	59.47	
PERCENTAGE TO SMC					0.0%	-1.9%	43.8%	15.1%	31.6%	12.9%	3.5%	-2.1%	
ELIZABETHTOWN, KY	42701	S	92.5	M1M	24.42	22.33	39.58	27.19	25.68	48.26	34.27	22.02	
PERCENTAGE TO SMC					0.0%	-8.6%	62.1%	11.3%	5.2%	97.6%	40.3%	-9.8%	
COLUMBUS, OH	43201	C	77.5	M10M	14.49	14.63	16.68	18.17	15.57	23.22	17.15	15.34	
PERCENTAGE TO SMC					0.0%	1.0%	15.1%	25.4%	7.5%	60.2%	18.4%	5.9%	
AKRON, OH	44301	C	60	M5M	21.98	21.79	21.97	24.85	20.97	27.73	21.23	21.60	
PERCENTAGE TO SMC					0.0%	-0.9%	0.0%	13.1%	-4.6%	26.2%	-3.4%	-1.7%	
INDIANAPOLIS, IN	46201	C	70	L5C	54.39	54.92	66.48	75.34	58.25	66.21	81.29	54.38	
PERCENTAGE TO SMC					0.0%	1.0%	22.2%	38.5%	7.1%	21.7%	49.5%	0.0%	
SOUTH BEND, IN	46601	C	100	L5C	81.56	82.37	100.47	117.25	87.32	110.32	91.68	81.81	
PERCENTAGE TO SMC					0.0%	1.0%	23.2%	43.8%	7.1%	35.3%	12.4%	0.3%	
DETROIT, MI	48201	C	85	M1M	48.69	48.47	62.17	49.08	50.93	72.36	52.31	48.17	
PERCENTAGE TO SMC					0.0%	-0.5%	27.7%	0.8%	4.6%	48.6%	7.4%	-1.1%	
ALPENA, MI	49707	C	50	M1M	41.80	50.01	44.42	40.49	43.22	39.50	38.82	38.81	
PERCENTAGE TO SMC					0.0%	19.6%	6.3%	-3.1%	3.4%	-5.5%	-7.1%	-7.2%	
AMES, IA	50010	MW	92.5	M10M	30.76	29.02	35.02	36.80	30.63	36.19	34.48	30.57	
PERCENTAGE TO SMC					0.0%	-5.7%	13.8%	19.6%	-0.4%	17.7%	12.1%	-0.6%	
MILWAUKEE, WI	53201	C	92.5	M10M	22.47	22.25	23.66	25.61	23.49	24.36	23.82	23.41	
PERCENTAGE TO SMC					0.0%	-1.0%	5.3%	14.0%	4.5%	8.4%	6.0%	4.2%	
MINNEAPOLIS, MN	55401	C	100	M5C	85.06	87.57	84.77	85.95	81.35	84.48	87.88	79.22	
PERCENTAGE TO SMC					0.0%	3.0%	-0.3%	1.0%	-4.4%	-0.7%	3.3%	-6.9%	
ABERDEEN, SD	57401	MW	60	M5M	33.26	40.09	38.54	35.11	30.08	34.56	39.05	36.68	
PERCENTAGE TO SMC					0.0%	20.5%	15.9%	5.6%	-9.6%	3.9%	17.4%	10.3%	

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM ELIZABETHTOWN, KY - 42701		TERRI-		WEIGHT		RATE IN DOLLARS AND CENTS PER 100 POUNDS							
TO [IN ZIP ORDER]	ZIP	TOR Y	CLASS	GROUP	SMC	1	2	3	4	5	6	7	
CHICAGO, IL	60601	C	65	L5C	62.45	78.10	84.42	91.85	71.22	87.06	93.68	77.41	
PERCENTAGE TO SMC					0.0%	25.1%	35.2%	47.1%	14.0%	39.4%	50.0%	24.0%	
PEORIA, IL	61601	C	85	M2M	32.66	33.00	39.52	37.91	34.17	41.34	40.34	32.77	
PERCENTAGE TO SMC					0.0%	1.0%	21.0%	16.1%	4.6%	26.6%	23.5%	0.3%	
ST. LOUIS, MO	63101	MW	77.5	M5M	20.42	20.44	23.52	23.03	21.64	24.41	23.98	20.22	
PERCENTAGE TO SMC					0.0%	0.1%	15.2%	12.8%	6.0%	19.5%	17.4%	-1.0%	
ROLLA, MO	65401	MW	70	M2M	29.96	31.10	39.43	30.72	31.89	41.37	33.77	30.22	
PERCENTAGE TO SMC					0.0%	3.8%	31.6%	2.5%	6.4%	38.1%	12.7%	0.9%	
WICHITA, KS	67201	MW	65	M5C	60.97	61.85	63.30	61.60	72.68	60.60	62.12	60.18	
PERCENTAGE TO SMC					0.0%	1.4%	3.8%	1.0%	19.2%	-0.6%	1.9%	-1.3%	
OMAHA, NE	68101	MW	55	M2M	33.58	30.78	33.49	32.34	31.88	31.75	32.85	30.94	
PERCENTAGE TO SMC					0.0%	-8.3%	-0.3%	-3.7%	-5.1%	-5.4%	-2.2%	-7.9%	
ALEXANDRIA, LA	71301	SW	77.5	M5M	32.30	33.60	35.33	32.63	36.19	32.12	33.17	34.00	
PERCENTAGE TO SMC					0.0%	4.0%	9.4%	1.0%	12.0%	-0.6%	2.7%	5.3%	
FORT SMITH, AR	72901	SW	50	M10M	19.24	18.14	20.95	22.17	23.99	21.81	20.09	20.75	
PERCENTAGE TO SMC					0.0%	-5.7%	8.9%	15.2%	24.7%	13.4%	4.4%	7.8%	
OKLAHOMA CITY, OK	73101	SW	85	M1M	62.44	64.51	63.06	62.19	75.89	61.17	62.01	63.72	
PERCENTAGE TO SMC					0.0%	3.3%	1.0%	-0.4%	21.5%	-2.0%	-0.7%	2.0%	
DALLAS, TX	75201	SW	70	M5M	35.68	36.51	38.44	37.87	39.27	34.48	36.32	36.70	
PERCENTAGE TO SMC					0.0%	2.3%	7.7%	6.1%	10.1%	-3.4%	1.8%	2.9%	
HOUSTON, TX	77001	SW	92.5	M5C	84.92	88.87	92.20	91.50	104.45	89.98	84.35	89.48	
PERCENTAGE TO SMC					0.0%	4.7%	8.6%	7.7%	23.0%	6.0%	-0.7%	5.4%	
ABILENE, TX	79601	SW	60	L5C	67.91	81.80	86.85	86.56	86.40	85.31	78.25	73.94	
PERCENTAGE TO SMC					0.0%	20.5%	27.9%	27.5%	27.2%	25.6%	15.2%	8.9%	
PUEBLO, CO	81001	MW	50	M1M	46.71	61.76	58.66	52.08	60.98	51.32	58.55	52.30	
PERCENTAGE TO SMC					0.0%	32.2%	25.6%	11.5%	30.6%	9.9%	25.3%	12.0%	
ALBUQUERQUE, NM	87101	SW	65	M2M	58.87	78.27	71.01	69.02	80.20	67.98	65.01	70.31	
PERCENTAGE TO SMC					0.0%	33.0%	20.6%	17.2%	36.2%	15.5%	10.4%	19.4%	
ROSWELL, NM	88201	SW	55	M5C	63.39	84.58	76.87	77.96	83.58	76.89	84.65	72.92	
PERCENTAGE TO SMC					0.0%	33.4%	21.3%	23.0%	31.9%	21.3%	33.5%	15.0%	

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM FLORENCE, AL - 35630 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	67.07	85.28	88.69	84.07	85.06	82.71	86.84	81.85
PERCENTAGE TO SMC					0.0%	27.2%	32.2%	25.3%	26.8%	23.3%	29.5%	22.0%
PORTLAND, ME	04101	E	70	M5C	80.60	105.33	102.75	96.13	103.13	94.62	92.23	108.74
PERCENTAGE TO SMC					0.0%	30.7%	27.5%	19.3%	28.0%	17.4%	14.4%	34.9%
NEWARK, NJ	07101	E	100	L5C	109.59	124.71	137.02	156.90	143.99	133.03	140.64	148.22
PERCENTAGE TO SMC					0.0%	13.8%	25.0%	43.2%	31.4%	21.4%	28.3%	35.2%
BUFFALO, NY	14201	E	65	M10M	29.74	30.50	30.41	32.67	34.34	32.20	29.16	27.16
PERCENTAGE TO SMC					0.0%	2.6%	2.3%	9.9%	15.5%	8.3%	-2.0%	-8.7%
PITTSBURGH, PA	15201	E	60	M5M	29.00	29.86	31.74	31.64	30.34	31.27	29.18	25.08
PERCENTAGE TO SMC					0.0%	3.0%	9.4%	9.1%	4.6%	7.8%	0.6%	-13.5%
SCRANTON, PA	18501	E	85	M5C	86.42	96.42	95.49	93.40	104.21	91.85	92.00	95.37
PERCENTAGE TO SMC					0.0%	11.6%	10.5%	8.1%	20.6%	6.3%	6.5%	10.4%
DOVER, DE	19901	E	70	M1M	57.61	62.78	62.52	60.42	67.90	59.60	56.88	61.33
PERCENTAGE TO SMC					0.0%	9.0%	8.5%	4.9%	17.9%	3.5%	-1.3%	6.5%
BALTIMORE, MD	21201	E	85	M5M	43.65	44.77	43.46	43.29	45.47	42.66	40.69	53.40
PERCENTAGE TO SMC					0.0%	2.6%	-0.4%	-0.8%	4.2%	-2.3%	-6.8%	22.3%
GREENSBORO, NC	27401	S	92.5	L5C	76.00	72.80	82.64	86.37	96.61	81.95	82.76	72.91
PERCENTAGE TO SMC					0.0%	-4.2%	8.7%	13.6%	27.1%	7.8%	8.9%	-4.1%
AIKEN, SC	29801	S	100	M5C	68.15	67.43	81.91	75.31	87.89	73.15	77.82	67.56
PERCENTAGE TO SMC					0.0%	-1.1%	20.2%	10.5%	29.0%	7.3%	14.2%	-0.9%
ATLANTA, GA	30301	S	100	M5C	54.30	54.80	72.84	76.43	71.43	84.05	78.57	54.74
PERCENTAGE TO SMC					0.0%	0.9%	34.1%	40.8%	31.5%	54.8%	44.7%	0.8%
DUBLIN, GA	31021	S	55	M2M	25.41	27.15	36.15	33.66	33.20	37.00	37.86	25.60
PERCENTAGE TO SMC					0.0%	6.8%	42.3%	32.5%	30.7%	45.6%	49.0%	0.7%
JACKSONVILLE, FL	32201	S	60	L5C	63.61	60.74	76.56	61.19	67.23	60.25	84.50	70.72
PERCENTAGE TO SMC					0.0%	-4.5%	20.4%	-3.8%	5.7%	-5.3%	32.8%	11.2%
BIRMINGHAM, AL	35201	S	55	M1M	19.68	19.68	31.28	28.63	25.66	26.60	29.21	19.64
PERCENTAGE TO SMC					0.0%	0.0%	58.9%	45.5%	30.4%	35.2%	48.4%	-0.2%
NASHVILLE, TN	37201	S	100	M2M	22.84	23.07	29.79	33.94	29.91	33.41	30.71	23.13
PERCENTAGE TO SMC					0.0%	1.0%	30.4%	48.6%	31.0%	46.3%	34.5%	1.3%
JACKSON, MS	39201	S	77.5	L5C	47.22	47.66	72.66	58.87	63.31	63.27	71.64	47.60
PERCENTAGE TO SMC					0.0%	0.9%	53.9%	24.7%	34.1%	34.0%	51.7%	0.8%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	36.55	37.26	51.44	50.65	48.58	40.80	53.66	36.97
PERCENTAGE TO SMC					0.0%	1.9%	40.7%	38.6%	32.9%	11.6%	46.8%	1.1%
COLUMBUS, OH	43201	C	77.5	M10M	20.49	19.95	23.01	23.37	26.64	33.73	22.96	20.83
PERCENTAGE TO SMC					0.0%	-2.6%	12.3%	14.1%	30.0%	64.6%	12.1%	1.7%
AKRON, OH	44301	C	60	M5M	26.39	24.85	26.93	29.09	29.97	28.54	25.68	24.52
PERCENTAGE TO SMC					0.0%	-5.8%	2.0%	10.2%	13.6%	8.1%	-2.7%	-7.1%
INDIANAPOLIS, IN	46201	C	70	L5C	66.45	66.56	77.72	77.23	88.35	72.28	80.51	65.67
PERCENTAGE TO SMC					0.0%	0.2%	17.0%	16.2%	33.0%	8.8%	21.2%	-1.2%
SOUTH BEND, IN	46601	C	100	L5C	96.79	93.77	108.76	108.40	124.45	105.94	110.45	92.77
PERCENTAGE TO SMC					0.0%	-3.1%	12.4%	12.0%	28.6%	9.5%	14.1%	-4.2%
DETROIT, MI	48201	C	85	M1M	58.25	68.36	76.37	57.37	72.54	56.16	63.70	57.15
PERCENTAGE TO SMC					0.0%	17.4%	31.1%	-1.5%	24.5%	-3.6%	9.4%	-1.9%
ALPENA, MI	49707	C	50	M1M	49.49	66.37	53.87	49.42	58.64	48.22	47.42	48.22
PERCENTAGE TO SMC					0.0%	34.1%	8.9%	-0.1%	18.5%	-2.6%	-4.2%	-2.6%
AMES, IA	50010	MW	92.5	M10M	33.40	34.42	40.91	41.12	40.55	40.50	38.24	34.52
PERCENTAGE TO SMC					0.0%	3.1%	22.5%	23.1%	21.4%	21.3%	14.5%	3.4%
MILWAUKEE, WI	53201	C	92.5	M10M	26.38	24.99	29.32	31.87	33.00	31.41	28.69	27.37
PERCENTAGE TO SMC					0.0%	-5.3%	11.1%	20.8%	25.1%	19.1%	8.8%	3.8%
MINNEAPOLIS, MN	55401	C	100	M5C	90.99	95.22	102.68	96.20	110.75	94.61	98.55	92.90
PERCENTAGE TO SMC					0.0%	4.6%	12.8%	5.7%	21.7%	4.0%	8.3%	2.1%
ABERDEEN, SD	57401	MW	60	M5M	34.27	42.25	42.43	36.85	39.69	36.26	44.07	42.76
PERCENTAGE TO SMC					0.0%	23.3%	23.8%	7.5%	15.8%	5.8%	28.6%	24.8%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM FLORENCE, AL - 35630 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	71.40	85.65	94.67	100.34	96.36	75.83	103.32	84.50
PERCENTAGE TO SMC					0.0%	20.0%	32.6%	40.5%	35.0%	6.2%	44.7%	18.3%
PEORIA, IL	61601	C	85	M2M	42.51	41.39	46.48	43.52	53.67	42.60	46.13	40.93
PERCENTAGE TO SMC					0.0%	-2.6%	9.3%	2.4%	26.3%	0.2%	8.5%	-3.7%
ST. LOUIS, MO	63101	MW	77.5	M5M	21.21	21.22	27.03	25.70	27.71	27.40	26.81	20.94
PERCENTAGE TO SMC					0.0%	0.0%	27.4%	21.2%	30.6%	29.2%	26.4%	-1.3%
ROLLA, MO	65401	MW	70	M2M	32.37	32.69	40.73	34.20	41.99	35.37	41.34	31.62
PERCENTAGE TO SMC					0.0%	1.0%	25.8%	5.7%	29.7%	9.3%	27.7%	-2.3%
WICHITA, KS	67201	MW	65	M5C	57.42	59.32	62.46	60.32	68.98	59.40	62.17	54.21
PERCENTAGE TO SMC					0.0%	3.3%	8.8%	5.1%	20.1%	3.4%	8.3%	-5.6%
OMAHA, NE	68101	MW	55	M2M	35.51	35.93	37.23	35.11	41.59	34.56	35.30	34.92
PERCENTAGE TO SMC					0.0%	1.2%	4.8%	-1.1%	17.1%	-2.7%	-0.6%	-1.7%
ALEXANDRIA, LA	71301	SW	77.5	M5M	27.52	26.98	34.68	28.58	32.21	39.75	39.67	29.76
PERCENTAGE TO SMC					0.0%	-2.0%	26.0%	3.9%	17.0%	44.4%	44.1%	8.1%
FORT SMITH, AR	72901	SW	50	M10M	15.91	16.03	18.18	19.16	20.99	20.45	21.60	16.57
PERCENTAGE TO SMC					0.0%	0.8%	14.3%	20.4%	31.9%	28.5%	35.8%	4.1%
OKLAHOMA CITY, OK	73101	SW	85	M1M	53.11	56.13	57.90	54.26	65.31	53.38	56.66	49.48
PERCENTAGE TO SMC					0.0%	5.7%	9.0%	2.2%	23.0%	0.5%	6.7%	-6.8%
DALLAS, TX	75201	SW	70	M5M	29.27	27.36	33.86	35.75	32.67	32.38	33.11	28.90
PERCENTAGE TO SMC					0.0%	-6.5%	15.7%	22.1%	11.6%	10.6%	13.1%	-1.3%
HOUSTON, TX	77001	SW	92.5	M5C	77.81	72.00	88.06	88.82	93.81	84.69	78.29	71.74
PERCENTAGE TO SMC					0.0%	-7.5%	13.2%	14.1%	20.6%	8.8%	0.6%	-7.8%
ABILENE, TX	79601	SW	60	L5C	64.84	68.09	77.89	82.36	78.60	81.33	74.90	58.96
PERCENTAGE TO SMC					0.0%	5.0%	20.1%	27.0%	21.2%	25.4%	15.5%	-9.1%
PUEBLO, CO	81001	MW	50	M1M	46.05	60.45	58.49	52.05	58.85	51.29	57.62	57.00
PERCENTAGE TO SMC					0.0%	31.3%	27.0%	13.0%	27.8%	11.4%	25.1%	23.8%
ALBUQUERQUE, NM	87101	SW	65	M2M	56.06	73.66	68.81	64.63	74.14	63.60	58.08	65.74
PERCENTAGE TO SMC					0.0%	31.4%	22.7%	15.3%	32.3%	13.4%	3.6%	17.3%
ROSWELL, NM	88201	SW	55	M5C	59.82	77.27	73.06	73.04	74.81	72.10	80.70	65.98
PERCENTAGE TO SMC					0.0%	29.2%	22.1%	22.1%	25.1%	20.5%	34.9%	10.3%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM GREENSBORO, NC - 27401 TO [IN ZIP ORDER]	ZIP	TERRI- TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	56.41	59.18	65.74	64.55	65.20	65.79	65.68	60.53
PERCENTAGE TO SMC					0.0%	4.9%	16.5%	14.4%	15.6%	16.6%	16.4%	7.3%
PORTLAND, ME	04101	E	70	M5C	69.40	81.46	78.72	74.76	79.72	75.65	70.48	73.12
PERCENTAGE TO SMC					0.0%	17.4%	13.4%	7.7%	14.9%	9.0%	1.6%	5.4%
NEWARK, NJ	07101	E	100	L5C	80.24	92.13	106.96	108.70	106.35	106.53	134.94	103.95
PERCENTAGE TO SMC					0.0%	14.8%	33.3%	35.5%	32.5%	32.8%	68.2%	29.5%
BUFFALO, NY	14201	E	65	M10M	25.78	26.57	27.96	29.79	29.88	30.45	27.90	24.07
PERCENTAGE TO SMC					0.0%	3.1%	8.5%	15.6%	15.9%	18.1%	8.2%	-6.6%
PITTSBURGH, PA	15201	E	60	M5M	24.91	26.91	27.22	27.64	27.38	24.44	34.53	23.06
PERCENTAGE TO SMC					0.0%	8.0%	9.3%	11.0%	9.9%	-1.9%	38.6%	-7.4%
SCRANTON, PA	18501	E	85	M5C	64.88	72.67	73.12	68.79	78.53	69.56	84.00	69.47
PERCENTAGE TO SMC					0.0%	12.0%	12.7%	6.0%	21.0%	7.2%	29.5%	7.1%
DOVER, DE	19901	E	70	M1M	38.30	38.98	44.20	43.44	48.49	40.65	48.08	42.01
PERCENTAGE TO SMC					0.0%	1.8%	15.4%	13.4%	26.6%	6.1%	25.5%	9.7%
BALTIMORE, MD	21201	E	85	M5M	24.04	24.48	28.25	28.42	27.86	37.40	33.10	27.27
PERCENTAGE TO SMC					0.0%	1.8%	17.5%	18.2%	15.9%	55.6%	37.7%	13.4%
GREENSBORO, NC	27401	S	92.5	L5C	31.74	32.08	33.35	47.61	42.56	36.96	51.34	32.01
PERCENTAGE TO SMC					0.0%	1.1%	5.1%	50.0%	34.1%	16.4%	61.8%	0.9%
AIKEN, SC	29801	S	100	M5C	54.30	54.80	68.34	75.37	71.43	60.07	78.29	54.89
PERCENTAGE TO SMC					0.0%	0.9%	25.9%	38.8%	31.5%	10.6%	44.2%	1.1%
ATLANTA, GA	30301	S	100	M5C	60.59	61.17	68.42	63.20	79.68	77.48	69.14	61.08
PERCENTAGE TO SMC					0.0%	1.0%	12.9%	4.3%	31.5%	27.9%	14.1%	0.8%
DUBLIN, GA	31021	S	55	M2M	26.08	27.61	32.19	27.71	33.78	29.29	30.30	26.00
PERCENTAGE TO SMC					0.0%	5.9%	23.4%	6.3%	29.5%	12.3%	16.2%	-0.3%
JACKSONVILLE, FL	32201	S	60	L5C	59.20	57.98	66.30	69.05	64.14	69.42	59.38	67.49
PERCENTAGE TO SMC					0.0%	-2.1%	12.0%	16.6%	8.3%	17.3%	0.3%	14.0%
BIRMINGHAM, AL	35201	S	55	M1M	34.33	33.36	39.46	36.25	43.46	37.03	34.36	33.31
PERCENTAGE TO SMC					0.0%	-2.8%	14.9%	5.6%	26.6%	7.9%	0.1%	-3.0%
NASHVILLE, TN	37201	S	100	M2M	48.05	46.05	48.83	49.69	59.68	49.61	47.67	46.10
PERCENTAGE TO SMC					0.0%	-4.2%	1.6%	3.4%	24.2%	3.2%	-0.8%	-4.1%
JACKSON, MS	39201	S	77.5	L5C	75.43	68.96	91.32	83.00	91.52	90.69	77.34	68.87
PERCENTAGE TO SMC					0.0%	-8.6%	21.1%	10.0%	21.3%	20.2%	2.5%	-8.7%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	53.50	51.58	56.50	54.67	67.97	61.62	52.78	51.70
PERCENTAGE TO SMC					0.0%	-3.6%	5.6%	2.2%	27.0%	15.2%	-1.3%	-3.4%
COLUMBUS, OH	43201	C	77.5	M10M	20.49	19.95	21.09	22.79	26.64	22.21	22.50	20.83
PERCENTAGE TO SMC					0.0%	-2.6%	2.9%	11.2%	30.0%	8.4%	9.8%	1.7%
AKRON, OH	44301	C	60	M5M	25.50	24.23	24.81	27.91	29.23	23.08	24.76	23.94
PERCENTAGE TO SMC					0.0%	-5.0%	-2.7%	9.5%	14.6%	-9.5%	-2.9%	-6.1%
INDIANAPOLIS, IN	46201	C	70	L5C	79.78	75.86	80.80	82.71	100.68	80.85	85.89	74.84
PERCENTAGE TO SMC					0.0%	-4.9%	1.3%	3.7%	26.2%	1.3%	7.7%	-6.2%
SOUTH BEND, IN	46601	C	100	L5C	110.72	103.39	109.81	111.76	137.26	115.01	110.70	102.33
PERCENTAGE TO SMC					0.0%	-6.6%	-0.8%	0.9%	24.0%	3.9%	0.0%	-7.6%
DETROIT, MI	48201	C	85	M1M	59.21	69.19	75.16	57.97	73.40	58.31	64.41	57.80
PERCENTAGE TO SMC					0.0%	16.9%	26.9%	-2.1%	24.0%	-1.5%	8.8%	-2.4%
ALPENA, MI	49707	C	50	M1M	50.44	68.96	53.78	51.18	60.88	51.10	49.40	50.12
PERCENTAGE TO SMC					0.0%	36.7%	6.6%	1.5%	20.7%	1.3%	-2.1%	-0.6%
AMES, IA	50010	MW	92.5	M10M	41.95	47.05	49.64	54.02	55.48	55.78	50.81	47.20
PERCENTAGE TO SMC					0.0%	12.2%	18.3%	28.8%	32.3%	33.0%	21.1%	12.5%
MILWAUKEE, WI	53201	C	92.5	M10M	33.92	32.62	35.30	38.47	43.11	39.14	34.04	35.80
PERCENTAGE TO SMC					0.0%	-3.8%	4.1%	13.4%	27.1%	15.4%	0.4%	5.5%
MINNEAPOLIS, MN	55401	C	100	M5C	100.91	126.50	113.05	111.46	132.96	114.68	117.72	114.56
PERCENTAGE TO SMC					0.0%	25.4%	12.0%	10.5%	31.8%	13.6%	16.7%	13.5%
ABERDEEN, SD	57401	MW	60	M5M	38.90	50.91	46.08	44.86	47.81	46.06	51.55	51.49
PERCENTAGE TO SMC					0.0%	30.9%	18.5%	15.3%	22.9%	18.4%	32.5%	32.4%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM GREENSBORO, NC - 27401 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	83.28	97.28	99.13	105.18	108.71	82.32	110.68	95.98
PERCENTAGE TO SMC					0.0%	16.8%	19.0%	26.3%	30.5%	-1.2%	32.9%	15.2%
PEORIA, IL	61601	C	85	M2M	57.97	55.21	56.30	55.60	71.57	56.08	52.80	54.63
PERCENTAGE TO SMC					0.0%	-4.8%	-2.9%	-4.1%	23.5%	-3.3%	-8.9%	-5.8%
ST. LOUIS, MO	63101	MW	77.5	M5M	39.03	36.47	36.57	37.13	45.91	38.75	36.83	35.97
PERCENTAGE TO SMC					0.0%	-6.6%	-6.3%	-4.9%	17.6%	-0.7%	-5.6%	-7.8%
ROLLA, MO	65401	MW	70	M2M	47.59	52.44	54.91	49.34	59.71	51.39	57.63	46.77
PERCENTAGE TO SMC					0.0%	10.2%	15.4%	3.7%	25.5%	8.0%	21.1%	-1.7%
WICHITA, KS	67201	MW	65	M5C	71.93	81.45	81.20	83.05	94.71	86.94	87.88	75.12
PERCENTAGE TO SMC					0.0%	13.2%	12.9%	15.5%	31.7%	20.9%	22.2%	4.4%
OMAHA, NE	68101	MW	55	M2M	43.41	48.69	45.70	46.30	56.35	47.51	46.05	47.77
PERCENTAGE TO SMC					0.0%	12.2%	5.3%	6.7%	29.8%	9.4%	6.1%	10.0%
ALEXANDRIA, LA	71301	SW	77.5	M5M	40.36	42.91	43.11	41.05	45.71	42.80	43.05	43.89
PERCENTAGE TO SMC					0.0%	6.3%	6.8%	1.7%	13.3%	6.0%	6.7%	8.7%
FORT SMITH, AR	72901	SW	50	M10M	25.11	27.70	26.67	29.96	31.82	32.01	26.83	26.11
PERCENTAGE TO SMC					0.0%	10.3%	6.2%	19.3%	26.7%	27.5%	6.8%	4.0%
OKLAHOMA CITY, OK	73101	SW	85	M1M	70.35	79.64	75.37	77.09	92.71	80.49	76.65	72.81
PERCENTAGE TO SMC					0.0%	13.2%	7.1%	9.6%	31.8%	14.4%	9.0%	3.5%
DALLAS, TX	75201	SW	70	M5M	39.63	44.00	44.19	45.17	46.88	45.03	45.41	42.66
PERCENTAGE TO SMC					0.0%	11.0%	11.5%	14.0%	18.3%	13.6%	14.6%	7.6%
HOUSTON, TX	77001	SW	92.5	M5C	92.86	104.14	104.92	106.90	121.10	107.60	101.95	95.22
PERCENTAGE TO SMC					0.0%	12.1%	13.0%	15.1%	30.4%	15.9%	9.8%	2.5%
ABILENE, TX	79601	SW	60	L5C	76.15	99.47	98.29	103.05	103.99	105.94	97.75	80.22
PERCENTAGE TO SMC					0.0%	30.6%	29.1%	35.3%	36.6%	39.1%	28.4%	5.3%
PUEBLO, CO	81001	MW	50	M1M	56.85	77.38	67.71	66.48	76.47	67.90	71.21	74.05
PERCENTAGE TO SMC					0.0%	36.1%	19.1%	16.9%	34.5%	19.4%	25.3%	30.3%
ALBUQUERQUE, NM	87101	SW	65	M2M	70.06	93.73	79.90	81.48	94.84	83.27	75.73	84.04
PERCENTAGE TO SMC					0.0%	33.8%	14.0%	16.3%	35.4%	18.9%	8.1%	20.0%
ROSWELL, NM	88201	SW	55	M5C	73.22	100.00	87.18	92.31	98.43	94.08	100.23	86.82
PERCENTAGE TO SMC					0.0%	36.6%	19.1%	26.1%	34.4%	28.5%	36.9%	18.6%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM JACKSON, MS - 39201 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	73.49	95.39	94.69	91.45	95.19	89.32	88.99	94.40
PERCENTAGE TO SMC					0.0%	29.8%	28.8%	24.4%	29.5%	21.5%	21.1%	28.5%
PORTLAND, ME	04101	E	70	M5C	89.27	117.32	109.00	104.15	114.85	102.43	95.73	115.06
PERCENTAGE TO SMC					0.0%	31.4%	22.1%	16.7%	28.7%	14.7%	7.2%	28.9%
NEWARK, NJ	07101	E	100	L5C	115.11	135.22	143.69	169.21	156.11	142.74	149.16	154.90
PERCENTAGE TO SMC					0.0%	17.5%	24.8%	47.0%	35.6%	24.0%	29.6%	34.6%
BUFFALO, NY	14201	E	65	M10M	32.13	34.97	33.59	36.40	39.35	35.77	33.54	31.14
PERCENTAGE TO SMC					0.0%	8.8%	4.5%	13.3%	22.5%	11.3%	4.4%	-3.1%
PITTSBURGH, PA	15201	E	60	M5M	34.82	37.05	36.51	36.60	37.66	36.06	32.60	31.14
PERCENTAGE TO SMC					0.0%	6.4%	4.9%	5.1%	8.2%	3.6%	-6.4%	-10.6%
SCRANTON, PA	18501	E	85	M5C	91.62	106.54	101.41	100.81	115.21	99.19	93.47	106.88
PERCENTAGE TO SMC					0.0%	16.3%	10.7%	10.0%	25.7%	8.3%	2.0%	16.7%
DOVER, DE	19901	E	70	M1M	61.19	69.76	67.30	65.18	75.45	64.05	61.13	67.03
PERCENTAGE TO SMC					0.0%	14.0%	10.0%	6.5%	23.3%	4.7%	-0.1%	9.5%
BALTIMORE, MD	21201	E	85	M5M	47.16	51.33	48.19	49.00	52.17	48.28	46.07	58.32
PERCENTAGE TO SMC					0.0%	8.8%	2.2%	3.9%	10.6%	2.4%	-2.3%	23.7%
GREENSBORO, NC	27401	S	92.5	L5C	88.00	80.45	89.57	97.78	106.78	106.52	88.25	80.58
PERCENTAGE TO SMC					0.0%	-8.6%	1.8%	11.1%	21.3%	21.0%	0.3%	-8.4%
AIKEN, SC	29801	S	100	M5C	74.91	71.75	86.64	81.19	93.47	79.97	77.55	71.84
PERCENTAGE TO SMC					0.0%	-4.2%	15.7%	8.4%	24.8%	6.8%	3.5%	-4.1%
ATLANTA, GA	30301	S	100	M5C	63.06	64.19	74.99	70.42	83.63	91.32	63.38	64.09
PERCENTAGE TO SMC					0.0%	1.8%	18.9%	11.7%	32.6%	44.8%	0.5%	1.6%
DUBLIN, GA	31021	S	55	M2M	27.45	28.54	34.13	29.00	34.90	38.21	28.71	26.89
PERCENTAGE TO SMC					0.0%	4.0%	24.3%	5.6%	27.1%	39.2%	4.6%	-2.0%
JACKSONVILLE, FL	32201	S	60	L5C	65.08	61.70	75.34	73.37	68.23	72.48	62.15	71.81
PERCENTAGE TO SMC					0.0%	-5.2%	15.8%	12.7%	4.8%	11.4%	-4.5%	10.3%
BIRMINGHAM, AL	35201	S	55	M1M	23.59	23.61	33.38	32.41	30.78	30.24	32.05	23.57
PERCENTAGE TO SMC					0.0%	0.1%	41.5%	37.4%	30.5%	28.2%	35.9%	-0.1%
NASHVILLE, TN	37201	S	100	M2M	40.45	41.16	48.92	44.64	53.35	49.55	50.26	41.12
PERCENTAGE TO SMC					0.0%	1.8%	20.9%	10.4%	31.9%	22.5%	24.3%	1.7%
JACKSON, MS	39201	S	77.5	L5C	27.21	27.50	36.93	39.94	36.49	36.21	45.22	27.44
PERCENTAGE TO SMC					0.0%	1.1%	35.7%	46.8%	34.1%	33.1%	66.2%	0.8%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	51.00	50.05	61.15	50.82	65.87	49.97	47.01	50.13
PERCENTAGE TO SMC					0.0%	-1.9%	19.9%	-0.4%	29.2%	-2.0%	-7.8%	-1.7%
COLUMBUS, OH	43201	C	77.5	M10M	24.12	22.51	26.54	27.93	30.11	27.27	25.54	23.55
PERCENTAGE TO SMC					0.0%	-6.7%	10.0%	15.8%	24.8%	13.1%	5.9%	-2.4%
AKRON, OH	44301	C	60	M5M	34.16	32.53	32.02	35.43	39.25	34.72	29.59	32.11
PERCENTAGE TO SMC					0.0%	-4.8%	-6.3%	3.7%	14.9%	1.6%	-13.4%	-6.0%
INDIANAPOLIS, IN	46201	C	70	L5C	78.45	74.90	81.47	81.86	99.46	79.84	84.97	73.91
PERCENTAGE TO SMC					0.0%	-4.5%	3.8%	4.3%	26.8%	1.8%	8.3%	-5.8%
SOUTH BEND, IN	46601	C	100	L5C	110.72	103.39	111.15	111.76	137.26	109.02	111.95	102.05
PERCENTAGE TO SMC					0.0%	-6.6%	0.4%	0.9%	24.0%	-1.5%	1.1%	-7.8%
DETROIT, MI	48201	C	85	M1M	68.97	81.44	83.81	65.21	86.42	63.67	70.97	64.97
PERCENTAGE TO SMC					0.0%	18.1%	21.5%	-5.5%	25.3%	-7.7%	2.9%	-5.8%
ALPENA, MI	49707	C	50	M1M	51.38	71.51	57.52	53.36	63.15	51.99	52.58	49.63
PERCENTAGE TO SMC					0.0%	39.2%	12.0%	3.9%	22.9%	1.2%	2.3%	-3.4%
AMES, IA	50010	MW	92.5	M10M	38.35	35.86	43.94	45.60	47.38	44.77	40.23	37.47
PERCENTAGE TO SMC					0.0%	-6.5%	14.6%	18.9%	23.5%	16.7%	4.9%	-2.3%
MILWAUKEE, WI	53201	C	92.5	M10M	33.28	31.39	33.47	36.54	41.49	35.97	33.09	34.74
PERCENTAGE TO SMC					0.0%	-5.7%	0.6%	9.8%	24.7%	8.1%	-0.6%	4.4%
MINNEAPOLIS, MN	55401	C	100	M5C	95.23	103.38	107.91	101.41	120.24	99.86	100.64	91.86
PERCENTAGE TO SMC					0.0%	8.6%	13.3%	6.5%	26.3%	4.9%	5.7%	-3.5%
ABERDEEN, SD	57401	MW	60	M5M	35.77	45.50	43.88	38.88	42.77	38.28	45.17	43.54
PERCENTAGE TO SMC					0.0%	27.2%	22.7%	8.7%	19.6%	7.0%	26.3%	21.7%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM JACKSON, MS - 39201 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	79.06	92.28	94.19	102.75	103.38	77.08	101.48	96.50
PERCENTAGE TO SMC					0.0%	16.7%	19.1%	30.0%	30.8%	-2.5%	28.4%	22.1%
PEORIA, IL	61601	C	85	M2M	45.61	43.56	46.69	44.99	56.49	43.97	45.78	42.98
PERCENTAGE TO SMC					0.0%	-4.5%	2.4%	-1.4%	23.9%	-3.6%	0.4%	-5.8%
ST. LOUIS, MO	63101	MW	77.5	M5M	27.64	26.80	27.49	27.11	34.38	39.96	26.99	26.46
PERCENTAGE TO SMC					0.0%	-3.0%	-0.5%	-1.9%	24.4%	44.6%	-2.4%	-4.3%
ROLLA, MO	65401	MW	70	M2M	36.39	35.30	43.83	38.01	45.31	39.89	42.65	34.13
PERCENTAGE TO SMC					0.0%	-3.0%	20.4%	4.5%	24.5%	9.6%	17.2%	-6.2%
WICHITA, KS	67201	MW	65	M5C	58.60	60.16	66.18	59.67	69.99	58.69	76.60	53.01
PERCENTAGE TO SMC					0.0%	2.7%	12.9%	1.8%	19.4%	0.2%	30.7%	-9.5%
OMAHA, NE	68101	MW	55	M2M	39.14	36.23	38.69	37.91	46.98	37.29	35.90	36.29
PERCENTAGE TO SMC					0.0%	-7.4%	-1.1%	-3.1%	20.0%	-4.7%	-8.3%	-7.3%
ALEXANDRIA, LA	71301	SW	77.5	M5M	17.69	17.69	24.26	23.80	21.13	28.36	26.23	19.56
PERCENTAGE TO SMC					0.0%	0.0%	37.1%	34.5%	19.4%	60.3%	48.3%	10.6%
FORT SMITH, AR	72901	SW	50	M10M	15.49	15.58	17.17	17.91	20.60	19.98	20.90	16.31
PERCENTAGE TO SMC					0.0%	0.6%	10.8%	15.6%	33.0%	29.0%	34.9%	5.3%
OKLAHOMA CITY, OK	73101	SW	85	M1M	50.81	48.70	56.29	50.53	63.42	49.65	66.39	48.02
PERCENTAGE TO SMC					0.0%	-4.2%	10.8%	-0.6%	24.8%	-2.3%	30.7%	-5.5%
DALLAS, TX	75201	SW	70	M5M	24.22	24.18	29.33	31.32	28.84	34.08	34.19	25.30
PERCENTAGE TO SMC					0.0%	-0.2%	21.1%	29.3%	19.1%	40.7%	41.2%	4.5%
HOUSTON, TX	77001	SW	92.5	M5C	60.44	60.92	78.07	75.18	79.38	78.90	79.13	60.14
PERCENTAGE TO SMC					0.0%	0.8%	29.2%	24.4%	31.3%	30.5%	30.9%	-0.5%
ABILENE, TX	79601	SW	60	L5C	54.23	59.13	69.42	71.94	68.23	71.05	79.11	50.73
PERCENTAGE TO SMC					0.0%	9.0%	28.0%	32.7%	25.8%	31.0%	45.9%	-6.5%
PUEBLO, CO	81001	MW	50	M1M	45.37	59.05	55.50	50.69	57.38	49.91	53.96	51.64
PERCENTAGE TO SMC					0.0%	30.2%	22.3%	11.7%	26.5%	10.0%	18.9%	13.8%
ALBUQUERQUE, NM	87101	SW	65	M2M	53.73	68.99	62.01	60.05	69.00	59.13	54.15	61.16
PERCENTAGE TO SMC					0.0%	28.4%	15.4%	11.8%	28.4%	10.1%	0.8%	13.8%
ROSWELL, NM	88201	SW	55	M5C	57.16	72.81	65.88	68.00	68.90	66.90	67.34	60.79
PERCENTAGE TO SMC					0.0%	27.4%	15.3%	19.0%	20.5%	17.0%	17.8%	6.4%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM JACKSON, TN - 38301 TO [IN ZIP ORDER]	ZIP	TERRI- TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	69.03	80.88	87.62	88.41	81.03	87.14	92.60	94.33
PERCENTAGE TO SMC					0.0%	17.2%	26.9%	28.1%	17.4%	26.2%	34.1%	36.7%
PORTLAND, ME	04101	E	70	M5C	82.32	107.75	101.70	99.89	95.90	98.44	96.30	106.23
PERCENTAGE TO SMC					0.0%	30.9%	23.5%	21.3%	16.5%	19.6%	17.0%	29.0%
NEWARK, NJ	07101	E	100	L5C	112.35	129.98	136.93	152.52	136.47	141.61	154.49	156.68
PERCENTAGE TO SMC					0.0%	15.7%	21.9%	35.8%	21.5%	26.0%	37.5%	39.5%
BUFFALO, NY	14201	E	65	M10M	29.74	30.50	30.32	33.40	31.06	32.82	30.11	27.16
PERCENTAGE TO SMC					0.0%	2.6%	2.0%	12.3%	4.4%	10.4%	1.2%	-8.7%
PITTSBURGH, PA	15201	E	60	M5M	29.00	29.86	31.19	32.10	23.85	31.70	29.83	25.08
PERCENTAGE TO SMC					0.0%	3.0%	7.6%	10.7%	-17.8%	9.3%	2.9%	-13.5%
SCRANTON, PA	18501	E	85	M5C	86.42	96.42	90.83	94.90	94.77	93.25	89.08	98.18
PERCENTAGE TO SMC					0.0%	11.6%	5.1%	9.8%	9.7%	7.9%	3.1%	13.6%
DOVER, DE	19901	E	70	M1M	59.41	66.29	63.37	66.77	65.18	65.74	63.69	67.11
PERCENTAGE TO SMC					0.0%	11.6%	6.7%	12.4%	9.7%	10.7%	7.2%	13.0%
BALTIMORE, MD	21201	E	85	M5M	45.06	47.38	45.28	46.26	43.52	45.62	46.92	56.25
PERCENTAGE TO SMC					0.0%	5.1%	0.5%	2.7%	-3.4%	1.2%	4.1%	24.8%
GREENSBORO, NC	27401	S	92.5	L5C	84.57	78.27	88.56	98.34	115.49	105.76	91.80	78.35
PERCENTAGE TO SMC					0.0%	-7.4%	4.7%	16.3%	36.6%	25.1%	8.5%	-7.4%
AIKEN, SC	29801	S	100	M5C	73.24	70.62	86.27	82.11	102.32	81.03	75.44	70.78
PERCENTAGE TO SMC					0.0%	-3.6%	17.8%	12.1%	39.7%	10.6%	3.0%	-3.4%
ATLANTA, GA	30301	S	100	M5C	61.38	63.30	72.24	69.03	91.60	80.25	72.31	63.38
PERCENTAGE TO SMC					0.0%	3.1%	17.7%	12.5%	49.2%	30.7%	17.8%	3.3%
DUBLIN, GA	31021	S	55	M2M	28.14	28.97	35.13	30.48	39.38	34.87	34.29	27.28
PERCENTAGE TO SMC					0.0%	2.9%	24.8%	8.3%	39.9%	23.9%	21.9%	-3.1%
JACKSONVILLE, FL	32201	S	60	L5C	68.00	63.56	75.65	82.73	78.13	81.81	67.55	73.99
PERCENTAGE TO SMC					0.0%	-6.5%	11.3%	21.7%	14.9%	20.3%	-0.7%	8.8%
BIRMINGHAM, AL	35201	S	55	M1M	22.61	22.62	32.02	31.97	32.79	30.04	32.48	22.61
PERCENTAGE TO SMC					0.0%	0.0%	41.6%	41.4%	45.0%	32.9%	43.7%	0.0%
NASHVILLE, TN	37201	S	100	M2M	25.23	25.50	33.14	36.83	29.10	33.29	34.44	25.54
PERCENTAGE TO SMC					0.0%	1.1%	31.4%	46.0%	15.3%	31.9%	36.5%	1.2%
JACKSON, MS	39201	S	77.5	L5C	45.40	45.86	65.36	70.46	67.65	62.93	70.76	45.80
PERCENTAGE TO SMC					0.0%	1.0%	44.0%	55.2%	49.0%	38.6%	55.9%	0.9%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	36.55	37.26	45.97	50.05	42.68	41.87	54.73	36.97
PERCENTAGE TO SMC					0.0%	1.9%	25.8%	36.9%	16.8%	14.6%	49.7%	1.1%
COLUMBUS, OH	43201	C	77.5	M10M	20.49	19.95	22.65	23.29	23.27	22.68	23.19	20.83
PERCENTAGE TO SMC					0.0%	-2.6%	10.5%	13.7%	13.6%	10.7%	13.2%	1.7%
AKRON, OH	44301	C	60	M5M	26.39	24.85	25.67	29.12	26.17	28.52	26.47	24.52
PERCENTAGE TO SMC					0.0%	-5.8%	-2.7%	10.3%	-0.8%	8.1%	0.3%	-7.1%
INDIANAPOLIS, IN	46201	C	70	L5C	65.12	65.77	76.09	75.72	76.72	73.21	79.91	64.92
PERCENTAGE TO SMC					0.0%	1.0%	16.8%	16.3%	17.8%	12.4%	22.7%	-0.3%
SOUTH BEND, IN	46601	C	100	L5C	93.31	91.38	109.35	107.69	106.58	105.25	113.26	90.38
PERCENTAGE TO SMC					0.0%	-2.1%	17.2%	15.4%	14.2%	12.8%	21.4%	-3.1%
DETROIT, MI	48201	C	85	M1M	57.31	67.54	74.27	57.19	62.93	55.72	64.30	56.43
PERCENTAGE TO SMC					0.0%	17.9%	29.6%	-0.2%	9.8%	-2.8%	12.2%	-1.5%
ALPENA, MI	49707	C	50	M1M	49.01	65.13	51.44	48.15	55.56	47.01	47.29	47.29
PERCENTAGE TO SMC					0.0%	32.9%	5.0%	-1.8%	13.4%	-4.1%	-3.5%	-3.5%
AMES, IA	50010	MW	92.5	M10M	30.09	32.08	36.02	38.27	33.04	37.69	35.41	32.20
PERCENTAGE TO SMC					0.0%	6.6%	19.7%	27.2%	9.8%	25.3%	17.7%	7.0%
MILWAUKEE, WI	53201	C	92.5	M10M	24.65	23.76	26.94	29.48	27.41	28.93	27.31	26.08
PERCENTAGE TO SMC					0.0%	-3.6%	9.3%	19.6%	11.2%	17.4%	10.8%	5.8%
MINNEAPOLIS, MN	55401	C	100	M5C	88.16	90.03	89.81	91.26	92.01	89.76	94.73	87.82
PERCENTAGE TO SMC					0.0%	2.1%	1.9%	3.5%	4.4%	1.8%	7.5%	-0.4%
ABERDEEN, SD	57401	MW	60	M5M	33.26	40.09	38.30	36.16	32.90	35.60	42.32	40.56
PERCENTAGE TO SMC					0.0%	20.5%	15.2%	8.7%	-1.1%	7.0%	27.2%	21.9%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM JACKSON, TN - 38301 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	67.56	82.33	93.83	97.38	82.28	72.14	107.56	81.23
PERCENTAGE TO SMC					0.0%	21.9%	38.9%	44.1%	21.8%	6.8%	59.2%	20.2%
PEORIA, IL	61601	C	85	M2M	38.63	38.69	42.63	40.15	44.07	41.59	41.04	38.30
PERCENTAGE TO SMC					0.0%	0.2%	10.4%	3.9%	14.1%	7.7%	6.2%	-0.9%
ST. LOUIS, MO	63101	MW	77.5	M5M	19.63	19.62	22.52	21.76	22.84	28.18	29.07	19.38
PERCENTAGE TO SMC					0.0%	-0.1%	14.7%	10.9%	16.4%	43.6%	48.1%	-1.3%
ROLLA, MO	65401	MW	70	M2M	25.85	26.33	34.38	30.32	30.07	34.70	37.23	25.76
PERCENTAGE TO SMC					0.0%	1.9%	33.0%	17.3%	16.3%	34.2%	44.0%	-0.3%
WICHITA, KS	67201	MW	65	M5C	53.86	50.71	57.04	57.27	73.40	56.21	65.20	50.48
PERCENTAGE TO SMC					0.0%	-5.8%	5.9%	6.3%	36.3%	4.4%	21.1%	-6.3%
OMAHA, NE	68101	MW	55	M2M	32.22	29.90	32.13	31.96	34.08	31.42	32.69	32.28
PERCENTAGE TO SMC					0.0%	-7.2%	-0.3%	-0.8%	5.8%	-2.5%	1.5%	0.2%
ALEXANDRIA, LA	71301	SW	77.5	M5M	25.47	25.66	29.32	33.19	33.84	33.96	30.44	28.34
PERCENTAGE TO SMC					0.0%	0.7%	15.1%	30.3%	32.9%	33.3%	19.5%	11.3%
FORT SMITH, AR	72901	SW	50	M10M	13.97	14.40	18.25	22.72	20.86	19.83	20.90	14.92
PERCENTAGE TO SMC					0.0%	3.1%	30.6%	62.6%	49.3%	41.9%	49.6%	6.8%
OKLAHOMA CITY, OK	73101	SW	85	M1M	49.68	47.90	51.60	52.57	69.42	51.61	54.36	47.28
PERCENTAGE TO SMC					0.0%	-3.6%	3.9%	5.8%	39.7%	3.9%	9.4%	-4.8%
DALLAS, TX	75201	SW	70	M5M	27.38	26.19	30.56	32.33	34.54	29.15	34.08	27.64
PERCENTAGE TO SMC					0.0%	-4.3%	11.6%	18.1%	26.2%	6.5%	24.5%	0.9%
HOUSTON, TX	77001	SW	92.5	M5C	73.07	68.97	82.12	81.25	99.87	76.92	81.60	68.67
PERCENTAGE TO SMC					0.0%	-5.6%	12.4%	11.2%	36.7%	5.3%	11.7%	-6.0%
ABILENE, TX	79601	SW	60	L5C	61.57	64.42	72.34	77.06	82.68	75.98	77.27	55.81
PERCENTAGE TO SMC					0.0%	4.6%	17.5%	25.2%	34.3%	23.4%	25.5%	-9.4%
PUEBLO, CO	81001	MW	50	M1M	44.72	57.65	52.58	51.26	62.13	50.46	56.06	52.72
PERCENTAGE TO SMC					0.0%	28.9%	17.6%	14.6%	38.9%	12.8%	25.4%	17.9%
ALBUQUERQUE, NM	87101	SW	65	M2M	55.29	72.12	62.04	64.47	80.53	63.41	58.21	63.01
PERCENTAGE TO SMC					0.0%	30.4%	12.2%	16.6%	45.7%	14.7%	5.3%	14.0%
ROSWELL, NM	88201	SW	55	M5C	58.94	76.34	68.48	73.82	81.00	72.77	79.63	63.06
PERCENTAGE TO SMC					0.0%	29.5%	16.2%	25.2%	37.4%	23.5%	35.1%	7.0%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM JACKSONVILLE, FL - 32201		TERRI-		WEIGHT		RATE IN DOLLARS AND CENTS PER 100 POUNDS							
TO [IN ZIP ORDER]	ZIP	TORY	CLASS	GROUP	SMC	1	2	3	4	5	6	7	
BOSTON, MA	02101	E	50	L5C	66.12	75.37	77.25	79.98	83.04	77.58	79.63	78.45	
PERCENTAGE TO SMC					0.0%	14.0%	16.8%	21.0%	25.6%	17.3%	20.4%	18.6%	
PORTLAND, ME	04101	E	70	M5C	79.43	102.97	88.05	91.60	100.76	90.16	84.09	94.99	
PERCENTAGE TO SMC					0.0%	29.6%	10.9%	15.3%	26.9%	13.5%	5.9%	19.6%	
NEWARK, NJ	07101	E	100	L5C	108.21	122.07	127.84	134.35	140.91	125.83	130.42	128.24	
PERCENTAGE TO SMC					0.0%	12.8%	18.1%	24.2%	30.2%	16.3%	20.5%	18.5%	
BUFFALO, NY	14201	E	65	M10M	33.08	36.78	35.20	37.95	41.39	37.32	35.32	38.22	
PERCENTAGE TO SMC					0.0%	11.2%	6.4%	14.7%	25.1%	12.8%	6.8%	15.5%	
PITTSBURGH, PA	15201	E	60	M5M	35.34	38.06	37.25	37.60	38.69	36.99	33.54	36.75	
PERCENTAGE TO SMC					0.0%	7.7%	5.4%	6.4%	9.5%	4.7%	-5.1%	4.0%	
SCRANTON, PA	18501	E	85	M5C	85.12	93.87	85.12	85.80	101.51	84.39	79.78	106.21	
PERCENTAGE TO SMC					0.0%	10.3%	0.0%	0.8%	19.3%	-0.9%	-6.3%	24.8%	
DOVER, DE	19901	E	70	M1M	53.44	56.14	51.69	53.39	60.72	52.51	48.76	53.48	
PERCENTAGE TO SMC					0.0%	5.1%	-3.3%	-0.1%	13.6%	-1.7%	-8.8%	0.1%	
BALTIMORE, MD	21201	E	85	M5M	40.33	40.88	38.32	38.99	41.56	38.37	37.42	49.13	
PERCENTAGE TO SMC					0.0%	1.4%	-5.0%	-3.3%	3.0%	-4.9%	-7.2%	21.8%	
GREENSBORO, NC	27401	S	92.5	L5C	69.14	68.41	74.85	79.93	90.81	71.50	71.64	68.31	
PERCENTAGE TO SMC					0.0%	-1.1%	8.3%	15.6%	31.3%	3.4%	3.6%	-1.2%	
AIKEN, SC	29801	S	100	M5C	52.22	52.72	62.35	58.32	68.66	62.17	56.92	52.65	
PERCENTAGE TO SMC					0.0%	1.0%	19.4%	11.7%	31.5%	19.1%	9.0%	0.8%	
ATLANTA, GA	30301	S	100	M5C	58.46	59.04	61.81	63.09	76.90	84.05	57.57	58.93	
PERCENTAGE TO SMC					0.0%	1.0%	5.7%	7.9%	31.5%	43.8%	-1.5%	0.8%	
DUBLIN, GA	31021	S	55	M2M	19.65	20.82	25.80	27.93	25.47	30.79	29.44	19.63	
PERCENTAGE TO SMC					0.0%	6.0%	31.3%	42.1%	29.6%	56.7%	49.8%	-0.1%	
JACKSONVILLE, FL	32201	S	60	L5C	27.18	26.74	33.40	33.35	30.05	37.65	41.95	26.02	
PERCENTAGE TO SMC					0.0%	-1.6%	22.9%	22.7%	10.6%	38.5%	54.3%	-4.3%	
BIRMINGHAM, AL	35201	S	55	M1M	31.83	31.81	36.56	40.63	41.43	37.29	39.60	31.76	
PERCENTAGE TO SMC					0.0%	-0.1%	14.9%	27.6%	30.2%	17.2%	24.4%	-0.2%	
NASHVILLE, TN	37201	S	100	M2M	49.13	46.72	47.91	49.29	60.52	48.52	47.80	46.64	
PERCENTAGE TO SMC					0.0%	-4.9%	-2.5%	0.3%	23.2%	-1.2%	-2.7%	-5.1%	
JACKSON, MS	39201	S	77.5	L5C	65.15	69.89	76.02	73.79	82.81	72.43	71.77	62.85	
PERCENTAGE TO SMC					0.0%	7.3%	16.7%	13.3%	27.1%	11.2%	10.2%	-3.5%	
ELIZABETHTOWN, KY	42701	S	92.5	M1M	63.37	59.07	60.06	61.47	76.25	60.46	59.41	60.03	
PERCENTAGE TO SMC					0.0%	-6.8%	-5.2%	-3.0%	20.3%	-4.6%	-6.2%	-5.3%	
COLUMBUS, OH	43201	C	77.5	M10M	29.23	28.11	28.99	31.41	37.54	30.66	28.25	29.37	
PERCENTAGE TO SMC					0.0%	-3.8%	-0.8%	7.5%	28.4%	4.9%	-3.4%	0.5%	
AKRON, OH	44301	C	60	M5M	34.80	33.76	33.04	35.74	40.72	34.92	32.74	33.34	
PERCENTAGE TO SMC					0.0%	-3.0%	-5.1%	2.7%	17.0%	0.3%	-5.9%	-4.2%	
INDIANAPOLIS, IN	46201	C	70	L5C	87.68	83.52	89.78	92.99	110.88	90.70	87.19	82.40	
PERCENTAGE TO SMC					0.0%	-4.7%	2.4%	6.1%	26.5%	3.4%	-0.6%	-6.0%	
SOUTH BEND, IN	46601	C	100	L5C	117.25	114.86	123.38	127.52	152.49	124.63	124.72	113.32	
PERCENTAGE TO SMC					0.0%	-2.0%	5.2%	8.8%	30.1%	6.3%	6.4%	-3.4%	
DETROIT, MI	48201	C	85	M1M	71.60	87.74	86.86	71.43	93.11	69.82	79.07	77.02	
PERCENTAGE TO SMC					0.0%	22.5%	21.3%	-0.2%	30.0%	-2.5%	10.4%	7.6%	
ALPENA, MI	49707	C	50	M1M	53.74	77.95	60.24	57.66	68.83	56.36	57.30	59.60	
PERCENTAGE TO SMC					0.0%	45.1%	12.1%	7.3%	28.1%	4.9%	6.6%	10.9%	
AMES, IA	50010	MW	92.5	M10M	43.13	49.32	51.10	54.99	58.14	54.04	51.74	48.16	
PERCENTAGE TO SMC					0.0%	14.4%	18.5%	27.5%	34.8%	25.3%	20.0%	11.7%	
MILWAUKEE, WI	53201	C	92.5	M10M	35.52	35.71	38.99	41.83	47.17	41.10	39.16	41.04	
PERCENTAGE TO SMC					0.0%	0.5%	9.8%	17.8%	32.8%	15.7%	10.2%	15.5%	
MINNEAPOLIS, MN	55401	C	100	M5C	107.46	138.55	122.23	121.53	145.54	119.65	123.79	119.78	
PERCENTAGE TO SMC					0.0%	28.9%	13.7%	13.1%	35.4%	11.3%	15.2%	11.5%	
ABERDEEN, SD	57401	MW	60	M5M	41.31	54.17	47.18	46.47	50.88	45.79	53.02	52.35	
PERCENTAGE TO SMC					0.0%	31.1%	14.2%	12.5%	23.2%	10.8%	28.3%	26.7%	

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM JACKSONVILLE, FL - 32201		TERRI-		WEIGHT		RATE IN DOLLARS AND CENTS PER 100 POUNDS						
TO [IN ZIP ORDER]	ZIP	TORY	CLASS	GROUP	SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	87.30	106.83	104.41	112.73	118.84	87.75	117.71	111.73
PERCENTAGE TO SMC					0.0%	22.4%	19.6%	29.1%	36.1%	0.5%	34.8%	28.0%
PEORIA, IL	61601	C	85	M2M	59.63	58.44	59.44	59.65	75.70	58.18	57.94	57.63
PERCENTAGE TO SMC					0.0%	-2.0%	-0.3%	0.0%	26.9%	-2.4%	-2.8%	-3.4%
ST. LOUIS, MO	63101	MW	77.5	M5M	39.79	37.90	36.67	38.03	47.65	37.43	34.87	37.73
PERCENTAGE TO SMC					0.0%	-4.7%	-7.8%	-4.4%	19.8%	-5.9%	-12.4%	-5.2%
ROLLA, MO	65401	MW	70	M2M	48.31	53.87	54.01	49.17	61.35	48.42	54.08	48.52
PERCENTAGE TO SMC					0.0%	11.5%	11.8%	1.8%	27.0%	0.2%	11.9%	0.4%
WICHITA, KS	67201	MW	65	M5C	70.94	79.56	77.03	78.65	92.58	77.28	81.94	73.36
PERCENTAGE TO SMC					0.0%	12.2%	8.6%	10.9%	30.5%	8.9%	15.5%	3.4%
OMAHA, NE	68101	MW	55	M2M	44.62	51.00	47.04	47.29	59.06	46.57	47.23	47.81
PERCENTAGE TO SMC					0.0%	14.3%	5.4%	6.0%	32.4%	4.4%	5.8%	7.1%
ALEXANDRIA, LA	71301	SW	77.5	M5M	35.61	36.01	34.72	35.17	38.37	34.59	38.89	36.85
PERCENTAGE TO SMC					0.0%	1.1%	-2.5%	-1.2%	7.8%	-2.9%	9.2%	3.5%
FORT SMITH, AR	72901	SW	50	M10M	24.74	26.98	24.69	28.20	31.01	27.76	24.37	25.44
PERCENTAGE TO SMC					0.0%	9.1%	-0.2%	14.0%	25.3%	12.2%	-1.5%	2.8%
OKLAHOMA CITY, OK	73101	SW	85	M1M	69.36	77.78	71.71	72.35	90.51	71.24	73.18	71.69
PERCENTAGE TO SMC					0.0%	12.1%	3.4%	4.3%	30.5%	2.7%	5.5%	3.4%
DALLAS, TX	75201	SW	70	M5M	37.93	40.79	40.22	42.05	43.46	38.75	39.10	39.86
PERCENTAGE TO SMC					0.0%	7.5%	6.0%	10.9%	14.6%	2.2%	3.1%	5.1%
HOUSTON, TX	77001	SW	92.5	M5C	87.57	93.96	89.21	96.07	109.31	91.66	85.32	86.66
PERCENTAGE TO SMC					0.0%	7.3%	1.9%	9.7%	24.8%	4.7%	-2.6%	-1.0%
ABILENE, TX	79601	SW	60	L5C	72.02	90.63	87.98	92.03	94.73	90.45	85.38	73.73
PERCENTAGE TO SMC					0.0%	25.8%	22.2%	27.8%	31.5%	25.6%	18.6%	2.4%
PUEBLO, CO	81001	MW	50	M1M	54.72	74.66	62.38	63.04	73.57	61.99	65.35	66.80
PERCENTAGE TO SMC					0.0%	36.4%	14.0%	15.2%	34.4%	13.3%	19.4%	22.1%
ALBUQUERQUE, NM	87101	SW	65	M2M	66.33	88.37	72.16	75.79	89.66	74.73	69.00	79.47
PERCENTAGE TO SMC					0.0%	33.2%	8.8%	14.3%	35.2%	12.7%	4.0%	19.8%
ROSWELL, NM	88201	SW	55	M5C	67.50	91.85	77.23	84.45	90.55	83.03	88.00	79.88
PERCENTAGE TO SMC					0.0%	36.1%	14.4%	25.1%	34.1%	23.0%	30.4%	18.3%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM KINSTON, NC - 28501 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	57.53	60.02	68.76	67.76	66.10	67.84	69.26	66.22
PERCENTAGE TO SMC					0.0%	4.3%	19.5%	17.8%	14.9%	17.9%	20.4%	15.1%
PORTLAND, ME	04101	E	70	M5C	70.51	83.85	83.07	80.15	82.04	78.85	74.97	81.24
PERCENTAGE TO SMC					0.0%	18.9%	17.8%	13.7%	16.4%	11.8%	6.3%	15.2%
NEWARK, NJ	07101	E	100	L5C	82.35	93.82	111.85	118.61	108.32	110.93	141.02	114.30
PERCENTAGE TO SMC					0.0%	13.9%	35.8%	44.0%	31.5%	34.7%	71.2%	38.8%
BUFFALO, NY	14201	E	65	M10M	26.83	27.27	30.01	31.99	30.71	31.45	29.78	24.74
PERCENTAGE TO SMC					0.0%	1.6%	11.9%	19.2%	14.5%	17.2%	11.0%	-7.8%
PITTSBURGH, PA	15201	E	60	M5M	27.25	28.59	30.60	30.69	29.08	30.21	38.49	24.51
PERCENTAGE TO SMC					0.0%	4.9%	12.3%	12.6%	6.7%	10.9%	41.2%	-10.1%
SCRANTON, PA	18501	E	85	M5C	67.92	74.96	77.88	73.11	80.99	72.06	90.70	77.29
PERCENTAGE TO SMC					0.0%	10.4%	14.7%	7.6%	19.2%	6.1%	33.5%	13.8%
DOVER, DE	19901	E	70	M1M	34.61	35.97	42.10	42.25	44.30	45.65	47.01	41.40
PERCENTAGE TO SMC					0.0%	3.9%	21.6%	22.1%	28.0%	31.9%	35.8%	19.6%
BALTIMORE, MD	21201	E	85	M5M	25.69	26.24	30.62	30.94	29.85	39.99	36.22	31.56
PERCENTAGE TO SMC					0.0%	2.1%	19.2%	20.4%	16.2%	55.7%	41.0%	22.8%
GREENSBORO, NC	27401	S	92.5	L5C	46.57	47.06	62.53	75.39	62.46	52.10	74.60	46.98
PERCENTAGE TO SMC					0.0%	1.1%	34.3%	61.9%	34.1%	11.9%	60.2%	0.9%
AIKEN, SC	29801	S	100	M5C	60.59	61.17	77.80	86.34	79.68	73.15	65.54	61.26
PERCENTAGE TO SMC					0.0%	1.0%	28.4%	42.5%	31.5%	20.7%	8.2%	1.1%
ATLANTA, GA	30301	S	100	M5C	69.84	68.47	79.03	76.95	89.24	98.16	77.80	68.42
PERCENTAGE TO SMC					0.0%	-2.0%	13.2%	10.2%	27.8%	40.5%	11.4%	-2.0%
DUBLIN, GA	31021	S	55	M2M	28.82	29.44	36.56	31.49	36.00	34.73	34.18	27.73
PERCENTAGE TO SMC					0.0%	2.2%	26.9%	9.3%	24.9%	20.5%	18.6%	-3.8%
JACKSONVILLE, FL	32201	S	60	L5C	62.12	59.81	71.15	73.35	66.20	76.21	63.67	69.66
PERCENTAGE TO SMC					0.0%	-3.7%	14.5%	18.1%	6.6%	22.7%	2.5%	12.1%
BIRMINGHAM, AL	35201	S	55	M1M	40.15	37.04	46.26	38.69	48.26	38.06	40.87	36.97
PERCENTAGE TO SMC					0.0%	-7.7%	15.2%	-3.6%	20.2%	-5.2%	1.8%	-7.9%
NASHVILLE, TN	37201	S	100	M2M	55.62	50.85	58.14	58.91	65.96	58.00	55.39	50.94
PERCENTAGE TO SMC					0.0%	-8.6%	4.5%	5.9%	18.6%	4.3%	-0.4%	-8.4%
JACKSON, MS	39201	S	77.5	L5C	80.35	76.03	104.35	97.81	100.97	96.32	88.51	75.93
PERCENTAGE TO SMC					0.0%	-5.4%	29.9%	21.7%	25.7%	19.9%	10.2%	-5.5%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	63.37	59.07	67.71	63.76	76.25	62.65	63.43	58.00
PERCENTAGE TO SMC					0.0%	-6.8%	6.8%	0.6%	20.3%	-1.1%	0.1%	-8.5%
COLUMBUS, OH	43201	C	77.5	M10M	23.11	21.76	25.15	26.85	29.08	26.16	26.05	22.74
PERCENTAGE TO SMC					0.0%	-5.8%	8.8%	16.2%	25.8%	13.2%	12.7%	-1.6%
AKRON, OH	44301	C	60	M5M	27.70	25.75	27.06	31.34	31.07	30.69	26.97	25.42
PERCENTAGE TO SMC					0.0%	-7.0%	-2.3%	13.1%	12.2%	10.8%	-2.6%	-8.2%
INDIANAPOLIS, IN	46201	C	70	L5C	86.84	81.92	90.48	93.82	108.76	91.52	92.04	80.81
PERCENTAGE TO SMC					0.0%	-5.7%	4.2%	8.0%	25.2%	5.4%	6.0%	-6.9%
SOUTH BEND, IN	46601	C	100	L5C	115.08	110.67	122.99	128.39	146.92	125.37	121.66	109.52
PERCENTAGE TO SMC					0.0%	-3.8%	6.9%	11.6%	27.7%	8.9%	5.7%	-4.8%
DETROIT, MI	48201	C	85	M1M	68.97	81.44	84.33	67.47	86.42	65.95	72.40	68.03
PERCENTAGE TO SMC					0.0%	18.1%	22.3%	-2.2%	25.3%	-4.4%	5.0%	-1.4%
ALPENA, MI	49707	C	50	M1M	52.33	74.07	59.08	57.43	65.40	56.13	55.97	53.82
PERCENTAGE TO SMC					0.0%	41.5%	12.9%	9.7%	25.0%	7.3%	7.0%	2.8%
AMES, IA	50010	MW	92.5	M10M	43.72	50.46	54.77	60.30	59.52	59.23	56.14	50.67
PERCENTAGE TO SMC					0.0%	15.4%	25.3%	37.9%	36.1%	35.5%	28.4%	15.9%
MILWAUKEE, WI	53201	C	92.5	M10M	34.88	34.48	38.39	41.34	45.54	40.72	40.03	37.80
PERCENTAGE TO SMC					0.0%	-1.1%	10.1%	18.5%	30.6%	16.7%	14.8%	8.4%
MINNEAPOLIS, MN	55401	C	100	M5C	105.21	135.53	122.90	123.14	142.36	120.90	128.69	122.76
PERCENTAGE TO SMC					0.0%	28.8%	16.8%	17.0%	35.3%	14.9%	22.3%	16.7%
ABERDEEN, SD	57401	MW	60	M5M	41.31	54.17	50.92	48.54	50.88	47.73	56.76	54.82
PERCENTAGE TO SMC					0.0%	31.1%	23.3%	17.5%	23.2%	15.5%	37.4%	32.7%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM KINSTON, NC - 28501 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	85.70	103.01	103.99	112.73	114.80	87.76	116.50	101.60
PERCENTAGE TO SMC					0.0%	20.2%	21.3%	31.5%	34.0%	2.4%	35.9%	18.6%
PEORIA, IL	61601	C	85	M2M	59.63	58.44	61.94	62.60	75.70	61.02	61.87	57.80
PERCENTAGE TO SMC					0.0%	-2.0%	3.9%	5.0%	26.9%	2.3%	3.8%	-3.1%
ST. LOUIS, MO	63101	MW	77.5	M5M	40.53	39.33	40.20	41.84	49.34	41.21	41.89	38.83
PERCENTAGE TO SMC					0.0%	-3.0%	-0.8%	3.2%	21.7%	1.7%	3.4%	-4.2%
ROLLA, MO	65401	MW	70	M2M	50.47	58.06	61.89	57.25	66.20	56.21	66.00	51.82
PERCENTAGE TO SMC					0.0%	15.0%	22.6%	13.4%	31.2%	11.4%	30.8%	2.7%
WICHITA, KS	67201	MW	65	M5C	77.14	89.03	90.75	93.47	103.55	91.96	99.46	82.11
PERCENTAGE TO SMC					0.0%	15.4%	17.6%	21.2%	34.2%	19.2%	28.9%	6.4%
OMAHA, NE	68101	MW	55	M2M	46.22	53.33	51.51	52.53	61.73	51.67	52.78	52.33
PERCENTAGE TO SMC					0.0%	15.4%	11.4%	13.7%	33.6%	11.8%	14.2%	13.2%
ALEXANDRIA, LA	71301	SW	77.5	M5M	42.20	46.33	46.68	45.26	49.40	44.58	50.24	47.46
PERCENTAGE TO SMC					0.0%	9.8%	10.6%	7.3%	17.1%	5.6%	19.1%	12.5%
FORT SMITH, AR	72901	SW	50	M10M	26.60	30.61	30.94	34.56	35.16	34.01	30.70	28.87
PERCENTAGE TO SMC					0.0%	15.1%	16.3%	29.9%	32.2%	27.9%	15.4%	8.5%
OKLAHOMA CITY, OK	73101	SW	85	M1M	74.92	87.24	84.03	86.75	101.53	85.24	86.73	79.76
PERCENTAGE TO SMC					0.0%	16.4%	12.2%	15.8%	35.5%	13.8%	15.8%	6.5%
DALLAS, TX	75201	SW	70	M5M	41.90	48.28	49.85	50.87	51.43	49.27	51.51	46.79
PERCENTAGE TO SMC					0.0%	15.2%	19.0%	21.4%	22.7%	17.6%	22.9%	11.7%
HOUSTON, TX	77001	SW	92.5	M5C	98.19	114.25	115.73	119.61	132.86	113.54	114.48	104.47
PERCENTAGE TO SMC					0.0%	16.4%	17.9%	21.8%	35.3%	15.6%	16.6%	6.4%
ABILENE, TX	79601	SW	60	L5C	81.07	106.11	106.16	113.39	110.96	111.43	107.85	85.55
PERCENTAGE TO SMC					0.0%	30.9%	30.9%	39.9%	36.9%	37.4%	33.0%	5.5%
PUEBLO, CO	81001	MW	50	M1M	60.05	82.10	73.69	73.11	80.91	71.84	77.97	78.33
PERCENTAGE TO SMC					0.0%	36.7%	22.7%	21.7%	34.7%	19.6%	29.8%	30.4%
ALBUQUERQUE, NM	87101	SW	65	M2M	73.79	98.38	88.09	88.64	100.05	87.17	81.10	88.67
PERCENTAGE TO SMC					0.0%	33.3%	19.4%	20.1%	35.6%	18.1%	9.9%	20.2%
ROSWELL, NM	88201	SW	55	M5C	77.49	105.46	94.02	101.31	104.35	99.61	109.33	92.01
PERCENTAGE TO SMC					0.0%	36.1%	21.3%	30.7%	34.7%	28.5%	41.1%	18.7%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM KNOXVILLE, TN - 37901 TO [IN ZIP ORDER]	ZIP	TERRI- TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	62.31	68.06	72.52	74.54	74.94	72.15	74.23	79.33
PERCENTAGE TO SMC					0.0%	9.2%	16.4%	19.6%	20.3%	15.8%	19.1%	27.3%
PORTLAND, ME	04101	E	70	M5C	74.97	93.42	86.12	85.61	91.43	84.22	78.96	92.12
PERCENTAGE TO SMC					0.0%	24.6%	14.9%	14.2%	22.0%	12.3%	5.3%	22.9%
NEWARK, NJ	07101	E	100	L5C	99.23	108.23	113.86	128.19	124.96	112.97	117.91	130.43
PERCENTAGE TO SMC					0.0%	9.1%	14.7%	29.2%	25.9%	13.8%	18.8%	31.4%
BUFFALO, NY	14201	E	65	M10M	25.78	26.57	26.70	29.32	29.88	28.82	27.90	23.61
PERCENTAGE TO SMC					0.0%	3.1%	3.6%	13.7%	15.9%	11.8%	8.2%	-8.4%
PITTSBURGH, PA	15201	E	60	M5M	26.08	27.76	28.48	28.17	28.24	25.29	27.11	23.34
PERCENTAGE TO SMC					0.0%	6.4%	9.2%	8.0%	8.3%	-3.0%	3.9%	-10.5%
SCRANTON, PA	18501	E	85	M5C	75.52	80.57	74.68	77.91	87.12	76.58	69.66	80.55
PERCENTAGE TO SMC					0.0%	6.7%	-1.1%	3.2%	15.4%	1.4%	-7.8%	6.7%
DOVER, DE	19901	E	70	M1M	47.46	51.62	48.32	50.21	55.83	49.40	44.54	52.29
PERCENTAGE TO SMC					0.0%	8.8%	1.8%	5.8%	17.6%	4.1%	-6.2%	10.2%
BALTIMORE, MD	21201	E	85	M5M	33.51	35.94	34.05	35.30	36.56	34.73	31.66	42.69
PERCENTAGE TO SMC					0.0%	7.3%	1.6%	5.3%	9.1%	3.6%	-5.5%	27.4%
GREENSBORO, NC	27401	S	92.5	L5C	57.20	57.76	66.45	70.95	76.68	78.12	83.38	57.85
PERCENTAGE TO SMC					0.0%	1.0%	16.2%	24.0%	34.1%	36.6%	45.8%	1.1%
AIKEN, SC	29801	S	100	M5C	58.46	59.04	72.21	65.80	76.90	77.78	78.79	59.11
PERCENTAGE TO SMC					0.0%	1.0%	23.5%	12.6%	31.5%	33.0%	34.8%	1.1%
ATLANTA, GA	30301	S	100	M5C	45.90	46.36	58.29	65.55	60.37	73.49	65.11	46.44
PERCENTAGE TO SMC					0.0%	1.0%	27.0%	42.8%	31.5%	60.1%	41.9%	1.2%
DUBLIN, GA	31021	S	55	M2M	21.15	22.43	30.83	30.81	27.47	34.01	33.74	21.12
PERCENTAGE TO SMC					0.0%	6.1%	45.8%	45.7%	29.9%	60.8%	59.5%	-0.1%
JACKSONVILLE, FL	32201	S	60	L5C	62.12	59.81	68.60	76.54	66.20	70.09	61.07	69.66
PERCENTAGE TO SMC					0.0%	-3.7%	10.4%	23.2%	6.6%	12.8%	-1.7%	12.1%
BIRMINGHAM, AL	35201	S	55	M1M	24.60	24.60	31.11	34.38	32.05	31.09	33.28	24.57
PERCENTAGE TO SMC					0.0%	0.0%	26.5%	39.8%	30.3%	26.4%	35.3%	-0.1%
NASHVILLE, TN	37201	S	100	M2M	30.08	30.38	35.12	44.42	39.37	40.16	38.79	30.42
PERCENTAGE TO SMC					0.0%	1.0%	16.8%	47.7%	30.9%	33.5%	29.0%	1.1%
JACKSON, MS	39201	S	77.5	L5C	60.73	59.55	80.00	68.04	79.08	76.90	83.64	59.47
PERCENTAGE TO SMC					0.0%	-1.9%	31.7%	12.0%	30.2%	26.6%	37.7%	-2.1%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	36.55	36.89	44.54	49.73	48.58	40.12	51.57	36.97
PERCENTAGE TO SMC					0.0%	0.9%	21.9%	36.1%	32.9%	9.8%	41.1%	1.1%
COLUMBUS, OH	43201	C	77.5	M10M	15.64	15.78	18.59	18.58	21.06	21.84	20.75	16.53
PERCENTAGE TO SMC					0.0%	0.9%	18.9%	18.8%	34.7%	39.6%	32.7%	5.7%
AKRON, OH	44301	C	60	M5M	24.18	23.32	23.10	24.17	28.10	22.49	22.87	23.00
PERCENTAGE TO SMC					0.0%	-3.6%	-4.5%	0.0%	16.2%	-7.0%	-5.4%	-4.9%
INDIANAPOLIS, IN	46201	C	70	L5C	65.12	65.77	72.58	70.86	87.32	68.32	75.47	64.92
PERCENTAGE TO SMC					0.0%	1.0%	11.5%	8.8%	34.1%	4.9%	15.9%	-0.3%
SOUTH BEND, IN	46601	C	100	L5C	93.31	91.38	107.12	105.67	121.30	99.20	106.88	90.38
PERCENTAGE TO SMC					0.0%	-2.1%	14.8%	13.2%	30.0%	6.3%	14.5%	-3.1%
DETROIT, MI	48201	C	85	M1M	52.52	63.39	70.57	52.11	67.31	50.90	61.50	52.96
PERCENTAGE TO SMC					0.0%	20.7%	34.4%	-0.8%	28.2%	-3.1%	17.1%	0.8%
ALPENA, MI	49707	C	50	M1M	49.01	65.13	50.88	46.95	57.50	45.81	47.03	47.29
PERCENTAGE TO SMC					0.0%	32.9%	3.8%	-4.2%	17.3%	-6.5%	-4.0%	-3.5%
AMES, IA	50010	MW	92.5	M10M	38.35	40.16	42.97	45.91	47.38	45.20	44.45	40.33
PERCENTAGE TO SMC					0.0%	4.7%	12.0%	19.7%	23.5%	17.9%	15.9%	5.2%
MILWAUKEE, WI	53201	C	92.5	M10M	26.38	24.99	27.84	31.15	33.00	30.59	28.10	27.37
PERCENTAGE TO SMC					0.0%	-5.3%	5.5%	18.1%	25.1%	16.0%	6.5%	3.8%
MINNEAPOLIS, MN	55401	C	100	M5C	93.83	100.67	98.28	100.20	117.12	98.67	99.69	98.19
PERCENTAGE TO SMC					0.0%	7.3%	4.7%	6.8%	24.8%	5.2%	6.2%	4.6%
ABERDEEN, SD	57401	MW	60	M5M	35.27	44.41	41.45	39.29	41.72	38.72	48.22	44.98
PERCENTAGE TO SMC					0.0%	25.9%	17.5%	11.4%	18.3%	9.8%	36.7%	27.5%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM KNOXVILLE, TN - 37901 TO [IN ZIP ORDER]	ZIP	TERRI- TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	71.40	85.65	94.20	98.94	96.36	73.85	105.95	84.50
PERCENTAGE TO SMC					0.0%	20.0%	31.9%	38.6%	35.0%	3.4%	48.4%	18.3%
PEORIA, IL	61601	C	85	M2M	44.06	42.47	46.63	45.09	55.09	43.96	44.34	42.01
PERCENTAGE TO SMC					0.0%	-3.6%	5.8%	2.3%	25.0%	-0.2%	0.6%	-4.7%
ST. LOUIS, MO	63101	MW	77.5	M5M	28.16	27.17	28.60	28.24	34.77	29.13	29.37	26.80
PERCENTAGE TO SMC					0.0%	-3.5%	1.6%	0.3%	23.5%	3.4%	4.3%	-4.8%
ROLLA, MO	65401	MW	70	M2M	37.19	35.83	42.86	38.26	46.01	37.60	45.57	34.65
PERCENTAGE TO SMC					0.0%	-3.7%	15.2%	2.9%	23.7%	1.1%	22.5%	-6.8%
WICHITA, KS	67201	MW	65	M5C	65.96	62.59	70.35	72.40	81.55	71.09	80.80	62.30
PERCENTAGE TO SMC					0.0%	-5.1%	6.7%	9.8%	23.6%	7.8%	22.5%	-5.5%
OMAHA, NE	68101	MW	55	M2M	39.75	37.26	39.70	39.09	48.31	38.38	40.87	40.20
PERCENTAGE TO SMC					0.0%	-6.3%	-0.1%	-1.7%	21.5%	-3.4%	2.8%	1.1%
ALEXANDRIA, LA	71301	SW	77.5	M5M	33.67	30.84	35.51	33.95	36.82	33.34	38.02	34.06
PERCENTAGE TO SMC					0.0%	-8.4%	5.5%	0.8%	9.4%	-1.0%	12.9%	1.2%
FORT SMITH, AR	72901	SW	50	M10M	20.48	19.15	22.49	24.00	24.79	23.59	21.81	19.60
PERCENTAGE TO SMC					0.0%	-6.5%	9.8%	17.2%	21.0%	15.2%	6.5%	-4.3%
OKLAHOMA CITY, OK	73101	SW	85	M1M	64.42	60.96	64.92	66.17	79.45	65.10	66.65	60.16
PERCENTAGE TO SMC					0.0%	-5.4%	0.8%	2.7%	23.3%	1.1%	3.5%	-6.6%
DALLAS, TX	75201	SW	70	M5M	36.81	34.49	39.33	38.83	41.13	37.15	41.67	36.40
PERCENTAGE TO SMC					0.0%	-6.3%	6.8%	5.5%	11.7%	0.9%	13.2%	-1.1%
HOUSTON, TX	77001	SW	92.5	M5C	86.23	81.60	95.85	95.04	106.33	92.61	93.12	81.26
PERCENTAGE TO SMC					0.0%	-5.4%	11.2%	10.2%	23.3%	7.4%	8.0%	-5.8%
ABILENE, TX	79601	SW	60	L5C	69.96	78.11	85.92	91.01	90.13	89.63	92.10	67.63
PERCENTAGE TO SMC					0.0%	11.6%	22.8%	30.1%	28.8%	28.1%	31.6%	-3.3%
PUEBLO, CO	81001	MW	50	M1M	49.38	67.17	59.44	58.48	66.22	57.57	61.94	62.41
PERCENTAGE TO SMC					0.0%	36.0%	20.4%	18.4%	34.1%	16.6%	25.4%	26.4%
ALBUQUERQUE, NM	87101	SW	65	M2M	61.35	81.37	69.17	72.13	82.80	71.13	63.12	72.00
PERCENTAGE TO SMC					0.0%	32.6%	12.7%	17.6%	35.0%	15.9%	2.9%	17.4%
ROSWELL, NM	88201	SW	55	M5C	65.17	87.32	77.21	82.83	86.63	81.53	88.66	74.97
PERCENTAGE TO SMC					0.0%	34.0%	18.5%	27.1%	32.9%	25.1%	36.0%	15.0%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM MOBILE, AL - 36601 TO [IN ZIP ORDER]	ZIP	TERRI- TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	72.00	93.40	94.64	92.04	93.14	90.75	88.62	89.66
PERCENTAGE TO SMC					0.0%	29.7%	31.4%	27.8%	29.4%	26.0%	23.1%	24.5%
PORTLAND, ME	04101	E	70	M5C	87.54	114.94	108.50	105.99	112.52	104.23	95.79	118.62
PERCENTAGE TO SMC					0.0%	31.3%	23.9%	21.1%	28.5%	19.1%	9.4%	35.5%
NEWARK, NJ	07101	E	100	L5C	115.11	135.22	145.60	173.39	156.11	148.09	151.84	160.67
PERCENTAGE TO SMC					0.0%	17.5%	26.5%	50.6%	35.6%	28.7%	31.9%	39.6%
BUFFALO, NY	14201	E	65	M10M	33.08	36.78	35.97	39.39	41.39	38.75	36.02	32.71
PERCENTAGE TO SMC					0.0%	11.2%	8.7%	19.1%	25.1%	17.1%	8.9%	-1.1%
PITTSBURGH, PA	15201	E	60	M5M	35.34	38.06	37.99	38.55	38.69	38.04	34.21	31.97
PERCENTAGE TO SMC					0.0%	7.7%	7.5%	9.1%	9.5%	7.6%	-3.2%	-9.5%
SCRANTON, PA	18501	E	85	M5C	91.62	106.54	102.92	103.60	115.21	101.72	95.34	105.42
PERCENTAGE TO SMC					0.0%	16.3%	12.3%	13.1%	25.7%	11.0%	4.1%	15.1%
DOVER, DE	19901	E	70	M1M	61.19	69.76	67.81	67.67	75.45	66.44	62.35	68.15
PERCENTAGE TO SMC					0.0%	14.0%	10.8%	10.6%	23.3%	8.6%	1.9%	11.4%
BALTIMORE, MD	21201	E	85	M5M	46.46	50.03	48.37	47.08	50.85	46.34	45.61	59.68
PERCENTAGE TO SMC					0.0%	7.7%	4.1%	1.3%	9.4%	-0.3%	-1.8%	28.5%
GREENSBORO, NC	27401	S	92.5	L5C	84.57	78.27	89.51	98.82	103.91	95.83	86.84	78.35
PERCENTAGE TO SMC					0.0%	-7.4%	5.8%	16.8%	22.9%	13.3%	2.7%	-7.4%
AIKEN, SC	29801	S	100	M5C	69.84	68.47	83.33	79.12	89.24	81.03	74.07	68.60
PERCENTAGE TO SMC					0.0%	-2.0%	19.3%	13.3%	27.8%	16.0%	6.1%	-9.5%
ATLANTA, GA	30301	S	100	M5C	58.46	59.04	75.58	81.08	76.90	86.47	80.36	58.93
PERCENTAGE TO SMC					0.0%	1.0%	29.3%	38.7%	31.5%	47.9%	37.5%	0.8%
DUBLIN, GA	31021	S	55	M2M	25.41	27.15	35.71	33.81	33.20	36.04	36.55	25.60
PERCENTAGE TO SMC					0.0%	6.8%	40.5%	33.1%	30.7%	41.8%	43.8%	0.7%
JACKSONVILLE, FL	32201	S	60	L5C	57.72	57.06	71.86	72.19	63.11	77.43	76.14	66.41
PERCENTAGE TO SMC					0.0%	-1.1%	24.5%	25.1%	9.3%	34.1%	31.9%	15.1%
BIRMINGHAM, AL	35201	S	55	M1M	24.60	24.60	36.46	34.60	32.05	31.40	36.10	24.57
PERCENTAGE TO SMC					0.0%	0.0%	48.2%	40.7%	30.3%	27.6%	46.7%	-0.1%
NASHVILLE, TN	37201	S	100	M2M	42.62	42.57	51.55	45.96	55.17	52.25	53.59	42.60
PERCENTAGE TO SMC					0.0%	-0.1%	21.0%	7.8%	29.4%	22.6%	25.7%	0.0%
JACKSON, MS	39201	S	77.5	L5C	39.92	40.34	64.17	63.03	53.53	55.04	59.82	40.27
PERCENTAGE TO SMC					0.0%	1.1%	60.7%	57.9%	34.1%	37.9%	49.8%	0.9%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	55.96	54.27	67.54	57.94	70.04	56.87	52.57	53.27
PERCENTAGE TO SMC					0.0%	-3.0%	20.7%	3.5%	25.2%	1.6%	-6.1%	-4.8%
COLUMBUS, OH	43201	C	77.5	M10M	28.96	27.58	29.72	30.94	36.85	30.18	28.18	28.82
PERCENTAGE TO SMC					0.0%	-4.8%	2.6%	6.8%	27.2%	4.2%	-2.7%	-0.5%
AKRON, OH	44301	C	60	M5M	34.48	33.14	33.28	37.29	39.97	36.42	32.51	32.70
PERCENTAGE TO SMC					0.0%	-3.9%	-3.5%	8.1%	15.9%	5.6%	-5.7%	-5.2%
INDIANAPOLIS, IN	46201	C	70	L5C	85.17	79.53	87.49	86.60	105.58	84.55	91.31	78.51
PERCENTAGE TO SMC					0.0%	-6.6%	2.7%	1.7%	24.0%	-0.7%	7.2%	-7.8%
SOUTH BEND, IN	46601	C	100	L5C	113.98	108.58	124.61	125.95	144.14	123.10	120.19	107.41
PERCENTAGE TO SMC					0.0%	-4.7%	9.3%	10.5%	26.5%	8.0%	5.4%	-5.8%
DETROIT, MI	48201	C	85	M1M	70.29	84.61	86.78	70.94	89.78	69.19	76.48	70.74
PERCENTAGE TO SMC					0.0%	20.4%	23.5%	0.9%	27.7%	-1.6%	8.8%	0.6%
ALPENA, MI	49707	C	50	M1M	52.79	75.35	63.36	57.30	66.52	55.84	57.34	54.74
PERCENTAGE TO SMC					0.0%	42.7%	20.0%	8.5%	26.0%	5.8%	8.6%	3.7%
AMES, IA	50010	MW	92.5	M10M	40.14	43.58	49.37	51.20	51.43	50.37	46.56	43.76
PERCENTAGE TO SMC					0.0%	8.6%	23.0%	27.6%	28.1%	25.5%	16.0%	9.0%
MILWAUKEE, WI	53201	C	92.5	M10M	34.26	33.26	37.20	39.79	43.91	39.13	36.32	36.48
PERCENTAGE TO SMC					0.0%	-2.9%	8.6%	16.1%	28.2%	14.2%	6.0%	6.5%
MINNEAPOLIS, MN	55401	C	100	M5C	99.50	111.57	116.58	111.99	129.76	110.16	114.53	108.81
PERCENTAGE TO SMC					0.0%	12.1%	17.2%	12.6%	30.4%	10.7%	15.1%	9.4%
ABERDEEN, SD	57401	MW	60	M5M	37.29	48.73	48.07	44.49	45.77	43.79	49.33	49.35
PERCENTAGE TO SMC					0.0%	30.7%	28.9%	19.3%	22.7%	17.4%	32.3%	32.3%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM MOBILE, AL - 36601 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	83.28	97.28	101.36	108.52	108.71	83.65	108.01	95.98
PERCENTAGE TO SMC					0.0%	16.8%	21.7%	30.3%	30.5%	0.4%	29.7%	15.2%
PEORIA, IL	61601	C	85	M2M	50.01	46.80	53.22	51.41	60.67	50.20	52.13	46.30
PERCENTAGE TO SMC					0.0%	-6.4%	6.4%	2.8%	21.3%	0.4%	4.2%	-7.4%
ST. LOUIS, MO	63101	MW	77.5	M5M	30.22	28.60	30.34	31.05	36.51	30.47	30.97	28.22
PERCENTAGE TO SMC					0.0%	-5.4%	0.4%	2.7%	20.8%	0.8%	2.5%	-6.6%
ROLLA, MO	65401	MW	70	M2M	41.20	38.42	50.22	42.87	49.36	42.08	48.77	37.17
PERCENTAGE TO SMC					0.0%	-6.7%	21.9%	4.1%	19.8%	2.1%	18.4%	-9.8%
WICHITA, KS	67201	MW	65	M5C	63.96	66.30	69.14	70.33	77.11	69.05	66.48	60.62
PERCENTAGE TO SMC					0.0%	3.7%	8.1%	10.0%	20.6%	8.0%	3.9%	-5.2%
OMAHA, NE	68101	MW	55	M2M	40.97	44.07	43.48	42.39	51.01	41.70	41.65	42.86
PERCENTAGE TO SMC					0.0%	7.6%	6.1%	3.5%	24.5%	1.8%	1.7%	4.6%
ALEXANDRIA, LA	71301	SW	77.5	M5M	21.56	21.55	31.71	30.69	25.73	33.86	33.19	23.81
PERCENTAGE TO SMC					0.0%	0.0%	47.1%	42.3%	19.3%	57.1%	53.9%	10.4%
FORT SMITH, AR	72901	SW	50	M10M	18.82	18.08	21.50	28.15	23.42	27.62	25.94	18.50
PERCENTAGE TO SMC					0.0%	-3.9%	14.2%	49.6%	24.4%	46.8%	37.8%	-1.7%
OKLAHOMA CITY, OK	73101	SW	85	M1M	59.80	61.05	63.65	60.10	71.04	59.19	64.28	53.80
PERCENTAGE TO SMC					0.0%	2.1%	6.4%	0.5%	18.8%	-1.0%	7.5%	-10.0%
DALLAS, TX	75201	SW	70	M5M	28.64	26.99	32.76	35.02	32.19	31.89	31.39	28.50
PERCENTAGE TO SMC					0.0%	-5.8%	14.4%	22.3%	12.4%	11.3%	9.6%	-0.5%
HOUSTON, TX	77001	SW	92.5	M5C	63.60	62.94	75.68	76.91	82.04	65.25	63.27	62.70
PERCENTAGE TO SMC					0.0%	-1.0%	19.0%	20.9%	29.0%	2.6%	-0.5%	-1.4%
ABILENE, TX	79601	SW	60	L5C	63.81	66.24	76.78	83.55	76.46	82.35	69.30	57.37
PERCENTAGE TO SMC					0.0%	3.8%	20.3%	30.9%	19.8%	29.1%	8.6%	-10.1%
PUEBLO, CO	81001	MW	50	M1M	48.04	64.50	62.16	57.60	63.26	56.77	60.29	61.25
PERCENTAGE TO SMC					0.0%	34.3%	29.4%	19.9%	31.7%	18.2%	25.5%	27.5%
ALBUQUERQUE, NM	87101	SW	65	M2M	56.83	74.39	70.54	66.91	75.93	66.00	60.95	67.27
PERCENTAGE TO SMC					0.0%	30.9%	24.1%	17.7%	33.6%	16.1%	7.2%	18.4%
ROSWELL, NM	88201	SW	55	M5C	59.82	77.27	73.06	75.59	74.81	74.50	77.19	65.98
PERCENTAGE TO SMC					0.0%	29.2%	22.1%	26.4%	25.1%	24.5%	29.0%	10.3%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM NASHVILLE, TN - 37201 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	66.12	75.37	80.82	81.68	67.94	79.45	81.59	87.90
PERCENTAGE TO SMC					0.0%	14.0%	22.2%	23.5%	2.8%	20.2%	23.4%	32.9%
PORTLAND, ME	04101	E	70	M5C	79.43	102.97	95.34	93.41	82.44	91.89	86.64	101.50
PERCENTAGE TO SMC					0.0%	29.6%	20.0%	17.6%	3.8%	15.7%	9.1%	27.8%
NEWARK, NJ	07101	E	100	L5C	108.21	122.07	131.91	155.61	115.29	129.07	133.07	147.16
PERCENTAGE TO SMC					0.0%	12.8%	21.9%	43.8%	6.5%	19.3%	23.0%	36.0%
BUFFALO, NY	14201	E	65	M10M	25.78	26.57	26.97	29.32	24.44	28.82	27.90	23.61
PERCENTAGE TO SMC					0.0%	3.1%	4.6%	13.7%	-5.2%	11.8%	8.2%	-8.4%
PITTSBURGH, PA	15201	E	60	M5M	26.08	27.76	28.76	29.25	20.09	28.87	27.11	23.34
PERCENTAGE TO SMC					0.0%	6.4%	10.3%	12.2%	-23.0%	10.7%	3.9%	-10.5%
SCRANTON, PA	18501	E	85	M5C	83.80	91.33	85.87	88.07	80.78	86.65	79.17	93.02
PERCENTAGE TO SMC					0.0%	9.0%	2.5%	5.1%	-3.6%	3.4%	-5.5%	11.0%
DOVER, DE	19901	E	70	M1M	57.61	62.78	59.38	61.35	55.56	60.35	54.67	63.56
PERCENTAGE TO SMC					0.0%	9.0%	3.1%	6.5%	-3.6%	4.8%	-5.1%	10.3%
BALTIMORE, MD	21201	E	85	M5M	43.65	44.77	42.10	42.84	37.21	42.26	39.11	53.12
PERCENTAGE TO SMC					0.0%	2.6%	-3.6%	-1.9%	-14.8%	-3.2%	-10.4%	21.7%
GREENSBORO, NC	27401	S	92.5	L5C	76.00	72.80	80.10	88.51	96.61	76.84	81.92	72.91
PERCENTAGE TO SMC					0.0%	-4.2%	5.4%	16.5%	27.1%	1.1%	7.8%	-4.1%
AIKEN, SC	29801	S	100	M5C	66.45	66.37	76.90	75.24	86.43	69.26	74.10	66.42
PERCENTAGE TO SMC					0.0%	-0.1%	15.7%	13.2%	30.1%	4.2%	11.5%	0.0%
ATLANTA, GA	30301	S	100	M5C	54.30	54.80	68.22	75.29	71.43	82.82	74.53	54.89
PERCENTAGE TO SMC					0.0%	0.9%	25.6%	38.7%	31.5%	52.5%	37.3%	1.1%
DUBLIN, GA	31021	S	55	M2M	25.41	27.15	33.28	33.13	33.20	36.61	36.38	25.60
PERCENTAGE TO SMC					0.0%	6.8%	31.0%	30.4%	30.7%	44.1%	43.2%	0.7%
JACKSONVILLE, FL	32201	S	60	L5C	66.54	62.63	72.34	79.86	69.30	78.83	64.52	72.85
PERCENTAGE TO SMC					0.0%	-5.9%	8.7%	20.0%	4.1%	18.5%	-3.0%	9.5%
BIRMINGHAM, AL	35201	S	55	M1M	22.61	22.62	29.13	31.83	29.50	28.94	30.60	22.61
PERCENTAGE TO SMC					0.0%	0.0%	28.8%	40.8%	30.5%	28.0%	35.3%	0.0%
NASHVILLE, TN	37201	S	100	M2M	18.02	18.21	19.57	24.68	18.67	22.50	25.89	18.25
PERCENTAGE TO SMC					0.0%	1.1%	8.6%	37.0%	3.6%	24.9%	43.7%	1.3%
JACKSON, MS	39201	S	77.5	L5C	54.84	55.81	76.34	69.04	74.11	71.32	78.23	55.75
PERCENTAGE TO SMC					0.0%	1.8%	39.2%	25.9%	35.1%	30.1%	42.7%	1.7%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	29.24	29.52	37.08	40.39	30.76	32.68	41.81	29.53
PERCENTAGE TO SMC					0.0%	1.0%	26.8%	38.1%	5.2%	11.8%	43.0%	1.0%
COLUMBUS, OH	43201	C	77.5	M10M	18.62	18.63	20.77	21.44	19.68	20.30	22.25	19.48
PERCENTAGE TO SMC					0.0%	0.1%	11.5%	15.1%	5.7%	9.0%	19.5%	4.6%
AKRON, OH	44301	C	60	M5M	24.18	23.32	23.99	26.65	22.21	26.16	23.79	23.00
PERCENTAGE TO SMC					0.0%	-3.6%	-0.8%	10.2%	-8.1%	8.2%	-1.6%	-4.9%
INDIANAPOLIS, IN	46201	C	70	L5C	60.33	60.93	69.78	69.62	63.93	68.04	72.71	60.13
PERCENTAGE TO SMC					0.0%	1.0%	15.7%	15.4%	6.0%	12.8%	20.5%	-0.3%
SOUTH BEND, IN	46601	C	100	L5C	88.13	87.72	105.66	104.06	92.03	100.14	102.53	86.80
PERCENTAGE TO SMC					0.0%	-0.5%	19.9%	18.1%	4.4%	13.6%	16.3%	-1.5%
DETROIT, MI	48201	C	85	M1M	53.47	64.22	72.52	53.84	53.87	52.58	65.13	53.68
PERCENTAGE TO SMC					0.0%	20.1%	35.6%	0.7%	0.7%	-1.7%	21.8%	0.4%
ALPENA, MI	49707	C	50	M1M	44.32	58.41	47.84	44.35	44.86	43.36	45.87	42.44
PERCENTAGE TO SMC					0.0%	31.8%	7.9%	0.1%	1.2%	-2.2%	3.5%	-4.2%
AMES, IA	50010	MW	92.5	M10M	31.42	32.98	36.97	38.26	30.77	37.66	37.19	33.13
PERCENTAGE TO SMC					0.0%	5.0%	17.7%	21.8%	-2.1%	19.9%	18.4%	5.4%
MILWAUKEE, WI	53201	C	92.5	M10M	24.22	23.46	26.30	27.78	24.50	27.31	27.10	25.74
PERCENTAGE TO SMC					0.0%	-3.1%	8.6%	14.7%	1.2%	12.8%	11.9%	6.3%
MINNEAPOLIS, MN	55401	C	100	M5C	89.57	92.55	91.78	92.69	85.08	91.20	91.89	90.24
PERCENTAGE TO SMC					0.0%	3.3%	2.5%	3.5%	-5.0%	1.8%	2.6%	0.7%
ABERDEEN, SD	57401	MW	60	M5M	33.76	41.16	38.77	36.38	30.58	35.79	42.60	41.67
PERCENTAGE TO SMC					0.0%	21.9%	14.8%	7.8%	-9.4%	6.0%	26.2%	23.4%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM NASHVILLE, TN - 37201 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	65.01	80.14	90.70	95.49	72.16	93.74	103.76	79.08
PERCENTAGE TO SMC					0.0%	23.3%	39.5%	46.9%	11.0%	44.2%	59.6%	21.6%
PEORIA, IL	61601	C	85	M2M	38.63	38.69	42.15	38.15	39.65	42.34	39.00	38.30
PERCENTAGE TO SMC					0.0%	0.2%	9.1%	-1.2%	2.6%	9.6%	1.0%	-0.9%
ST. LOUIS, MO	63101	MW	77.5	M5M	20.42	20.44	23.74	23.67	21.42	29.51	29.86	20.14
PERCENTAGE TO SMC					0.0%	0.1%	16.3%	15.9%	4.9%	44.5%	46.2%	-1.4%
ROLLA, MO	65401	MW	70	M2M	30.76	31.63	36.29	33.23	32.12	35.91	37.73	30.59
PERCENTAGE TO SMC					0.0%	2.8%	18.0%	8.0%	4.4%	16.7%	22.7%	-0.6%
WICHITA, KS	67201	MW	65	M5C	60.97	55.22	62.28	62.60	71.93	61.66	68.07	54.95
PERCENTAGE TO SMC					0.0%	-9.4%	2.1%	2.7%	18.0%	1.1%	11.6%	-9.9%
OMAHA, NE	68101	MW	55	M2M	34.27	31.20	33.95	33.47	31.98	32.90	35.62	33.68
PERCENTAGE TO SMC					0.0%	-9.0%	-0.9%	-2.3%	-6.7%	-4.0%	3.9%	-1.7%
ALEXANDRIA, LA	71301	SW	77.5	M5M	29.57	28.29	32.46	30.06	33.75	29.61	33.49	31.21
PERCENTAGE TO SMC					0.0%	-4.3%	9.8%	1.7%	14.1%	0.1%	13.3%	5.5%
FORT SMITH, AR	72901	SW	50	M10M	17.15	16.65	20.21	20.92	22.01	21.68	22.59	17.40
PERCENTAGE TO SMC					0.0%	-2.9%	17.8%	22.0%	28.3%	26.4%	31.7%	1.5%
OKLAHOMA CITY, OK	73101	SW	85	M1M	56.53	52.33	56.87	56.43	68.23	55.46	57.74	51.66
PERCENTAGE TO SMC					0.0%	-7.4%	0.6%	-0.2%	20.7%	-1.9%	2.1%	-8.6%
DALLAS, TX	75201	SW	70	M5M	31.18	28.56	34.18	35.71	34.08	32.29	37.35	30.17
PERCENTAGE TO SMC					0.0%	-8.4%	9.6%	14.5%	9.3%	3.6%	19.8%	-3.2%
HOUSTON, TX	77001	SW	92.5	M5C	82.28	75.02	89.72	88.19	97.74	83.77	89.36	74.74
PERCENTAGE TO SMC					0.0%	-8.8%	9.0%	7.2%	18.8%	1.8%	8.6%	-9.2%
ABILENE, TX	79601	SW	60	L5C	65.86	70.08	78.01	82.73	80.87	81.34	79.98	60.66
PERCENTAGE TO SMC					0.0%	6.4%	18.4%	25.6%	22.8%	23.5%	21.4%	-7.9%
PUEBLO, CO	81001	MW	50	M1M	46.71	61.76	55.02	53.51	60.35	52.56	56.79	56.85
PERCENTAGE TO SMC					0.0%	32.2%	17.8%	14.6%	29.2%	12.5%	21.6%	21.7%
ALBUQUERQUE, NM	87101	SW	65	M2M	56.83	74.39	63.80	66.13	75.93	65.22	57.28	66.03
PERCENTAGE TO SMC					0.0%	30.9%	12.3%	16.4%	33.6%	14.8%	0.8%	16.2%
ROSWELL, NM	88201	SW	55	M5C	61.61	80.98	72.03	76.31	78.76	75.28	80.69	68.17
PERCENTAGE TO SMC					0.0%	31.4%	16.9%	23.9%	27.8%	22.2%	31.0%	10.6%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM SHELBY, NC - 28150 TO [IN ZIP ORDER]	TERRI- ZIP	TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	60.39	64.37	73.61	73.37	70.87	70.05	73.21	65.79
PERCENTAGE TO SMC					0.0%	6.6%	21.9%	21.5%	17.4%	16.0%	21.2%	8.9%
PORTLAND, ME	04101	E	70	M5C	72.75	88.61	87.83	81.16	86.76	79.95	72.24	79.59
PERCENTAGE TO SMC					0.0%	21.8%	20.7%	11.6%	19.3%	9.9%	-0.7%	9.4%
NEWARK, NJ	07101	E	100	L5C	90.79	101.04	116.56	132.37	116.66	105.83	114.46	114.04
PERCENTAGE TO SMC					0.0%	11.3%	28.4%	45.8%	28.5%	16.6%	26.1%	25.6%
BUFFALO, NY	14201	E	65	M10M	29.74	30.50	31.49	32.72	34.34	32.25	28.59	27.69
PERCENTAGE TO SMC					0.0%	2.6%	5.9%	10.0%	15.5%	8.4%	-3.9%	-6.9%
PITTSBURGH, PA	15201	E	60	M5M	27.83	29.00	30.70	30.51	29.51	26.86	29.06	24.88
PERCENTAGE TO SMC					0.0%	4.2%	10.3%	9.6%	6.0%	-3.5%	4.4%	-10.6%
SCRANTON, PA	18501	E	85	M5C	72.49	78.33	81.19	74.90	84.60	73.62	94.61	74.89
PERCENTAGE TO SMC					0.0%	8.1%	12.0%	3.3%	16.7%	1.6%	30.5%	3.3%
DOVER, DE	19901	E	70	M1M	43.40	42.26	49.76	47.21	52.57	43.17	58.22	45.56
PERCENTAGE TO SMC					0.0%	-2.6%	14.7%	8.8%	21.1%	-0.5%	34.1%	5.0%
BALTIMORE, MD	21201	E	85	M5M	30.44	30.15	34.22	32.84	34.32	36.06	40.92	33.63
PERCENTAGE TO SMC					0.0%	-1.0%	12.4%	7.9%	12.7%	18.5%	34.4%	10.5%
GREENSBORO, NC	27401	S	92.5	L5C	42.37	42.76	49.90	67.70	56.77	60.27	62.13	42.70
PERCENTAGE TO SMC					0.0%	0.9%	17.8%	59.8%	34.0%	42.2%	46.6%	0.8%
AIKEN, SC	29801	S	100	M5C	48.01	48.48	63.20	68.67	63.18	52.04	66.97	48.58
PERCENTAGE TO SMC					0.0%	1.0%	31.6%	43.0%	31.6%	8.4%	39.5%	1.2%
ATLANTA, GA	30301	S	100	M5C	54.30	54.80	69.60	59.78	71.43	71.85	82.24	54.74
PERCENTAGE TO SMC					0.0%	0.9%	28.2%	10.1%	31.5%	32.3%	51.5%	0.8%
DUBLIN, GA	31021	S	55	M2M	22.22	24.04	30.60	26.43	29.38	27.85	29.41	22.65
PERCENTAGE TO SMC					0.0%	8.2%	37.7%	18.9%	32.2%	25.3%	32.4%	1.9%
JACKSONVILLE, FL	32201	S	60	L5C	54.78	55.20	65.81	66.27	61.06	66.24	57.46	64.24
PERCENTAGE TO SMC					0.0%	0.8%	20.1%	21.0%	11.5%	20.9%	4.9%	17.3%
BIRMINGHAM, AL	35201	S	55	M1M	32.66	32.31	38.60	35.15	42.13	35.22	33.50	32.25
PERCENTAGE TO SMC					0.0%	-1.1%	18.2%	7.6%	29.0%	7.8%	2.6%	-1.3%
NASHVILLE, TN	37201	S	100	M2M	46.95	45.31	49.87	49.17	58.73	46.08	45.96	45.39
PERCENTAGE TO SMC					0.0%	-3.5%	6.2%	4.7%	25.1%	-1.9%	-2.1%	-3.3%
JACKSON, MS	39201	S	77.5	L5C	72.49	67.09	91.25	81.79	89.07	80.56	76.21	66.97
PERCENTAGE TO SMC					0.0%	-7.4%	25.9%	12.8%	22.9%	11.1%	5.1%	-7.6%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	53.50	51.58	58.20	53.50	67.97	60.51	52.42	51.70
PERCENTAGE TO SMC					0.0%	-3.6%	8.8%	0.0%	27.0%	13.1%	-2.0%	-3.4%
COLUMBUS, OH	43201	C	77.5	M10M	21.24	20.48	22.46	23.64	27.32	23.26	23.01	21.40
PERCENTAGE TO SMC					0.0%	-3.6%	5.7%	11.3%	28.6%	9.5%	8.3%	0.8%
AKRON, OH	44301	C	60	M5M	26.83	25.14	26.32	29.30	30.33	28.67	25.40	24.80
PERCENTAGE TO SMC					0.0%	-6.3%	-1.9%	9.2%	13.0%	6.9%	-5.3%	-7.6%
INDIANAPOLIS, IN	46201	C	70	L5C	79.78	75.86	81.58	82.19	100.68	80.36	81.91	74.84
PERCENTAGE TO SMC					0.0%	-4.9%	2.3%	3.0%	26.2%	0.7%	2.7%	-6.2%
SOUTH BEND, IN	46601	C	100	L5C	111.81	104.61	113.15	115.41	138.86	112.50	114.19	103.53
PERCENTAGE TO SMC					0.0%	-6.4%	1.2%	3.2%	24.2%	0.6%	2.1%	-7.4%
DETROIT, MI	48201	C	85	M1M	61.17	70.84	77.55	60.08	75.17	58.75	64.42	59.20
PERCENTAGE TO SMC					0.0%	15.8%	26.8%	-1.8%	22.9%	-4.0%	5.3%	-3.2%
ALPENA, MI	49707	C	50	M1M	50.90	70.26	55.69	52.58	62.05	51.37	50.38	51.04
PERCENTAGE TO SMC					0.0%	38.0%	9.4%	3.3%	21.9%	0.9%	-1.0%	0.3%
AMES, IA	50010	MW	92.5	M10M	41.95	47.05	50.96	54.39	55.48	53.61	51.94	47.20
PERCENTAGE TO SMC					0.0%	12.2%	21.5%	29.7%	32.3%	27.8%	23.8%	12.5%
MILWAUKEE, WI	53201	C	92.5	M10M	34.26	33.26	36.91	39.26	43.91	38.69	35.79	36.48
PERCENTAGE TO SMC					0.0%	-2.9%	7.7%	14.6%	28.2%	12.9%	4.5%	6.5%
MINNEAPOLIS, MN	55401	C	100	M5C	102.33	129.51	118.48	114.68	136.03	112.60	122.34	117.30
PERCENTAGE TO SMC					0.0%	26.6%	15.8%	12.1%	32.9%	10.0%	19.6%	14.6%
ABERDEEN, SD	57401	MW	60	M5M	39.70	51.99	48.46	46.26	48.86	45.61	54.20	52.63
PERCENTAGE TO SMC					0.0%	31.0%	22.1%	16.5%	23.1%	14.9%	36.5%	32.6%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM SHELBY, NC - 28150 TO [IN ZIP ORDER]	ZIP	TERRI- TORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	83.28	97.28	100.89	106.66	108.71	81.87	108.95	95.98
PERCENTAGE TO SMC					0.0%	16.8%	21.1%	28.1%	30.5%	-1.7%	30.8%	15.2%
PEORIA, IL	61601	C	85	M2M	57.42	54.17	56.17	55.09	70.22	53.87	50.88	53.56
PERCENTAGE TO SMC					0.0%	-5.7%	-2.2%	-4.1%	22.3%	-6.2%	-11.4%	-6.7%
ST. LOUIS, MO	63101	MW	77.5	M5M	39.03	36.47	36.87	37.43	45.91	36.77	35.06	35.97
PERCENTAGE TO SMC					0.0%	-6.6%	-5.5%	-4.1%	17.6%	-5.8%	-10.2%	-7.8%
ROLLA, MO	65401	MW	70	M2M	47.59	52.44	56.44	49.74	59.71	48.90	55.17	46.77
PERCENTAGE TO SMC					0.0%	10.2%	18.6%	4.5%	25.5%	2.8%	15.9%	-1.7%
WICHITA, KS	67201	MW	65	M5C	71.93	81.45	82.73	83.56	94.71	82.31	87.60	75.12
PERCENTAGE TO SMC					0.0%	13.2%	15.0%	16.2%	31.7%	14.4%	21.8%	4.4%
OMAHA, NE	68101	MW	55	M2M	44.02	49.83	48.20	47.52	57.67	46.72	49.00	48.90
PERCENTAGE TO SMC					0.0%	13.2%	9.5%	8.0%	31.0%	6.1%	11.3%	11.1%
ALEXANDRIA, LA	71301	SW	77.5	M5M	39.75	41.72	42.75	40.19	44.42	39.49	42.52	42.69
PERCENTAGE TO SMC					0.0%	5.0%	7.5%	1.1%	11.7%	-0.7%	7.0%	7.4%
FORT SMITH, AR	72901	SW	50	M10M	25.11	27.70	27.46	30.18	31.82	29.69	27.20	26.11
PERCENTAGE TO SMC					0.0%	10.3%	9.4%	20.2%	26.7%	18.2%	8.3%	4.0%
OKLAHOMA CITY, OK	73101	SW	85	M1M	69.36	77.78	75.47	75.29	90.51	74.00	76.72	71.07
PERCENTAGE TO SMC					0.0%	12.1%	8.8%	8.5%	30.5%	6.7%	10.6%	2.5%
DALLAS, TX	75201	SW	70	M5M	39.07	42.91	44.23	44.42	45.74	42.45	45.17	41.59
PERCENTAGE TO SMC					0.0%	9.8%	13.2%	13.7%	17.1%	8.7%	15.6%	6.4%
HOUSTON, TX	77001	SW	92.5	M5C	91.54	101.55	104.16	104.73	118.14	102.44	95.72	92.84
PERCENTAGE TO SMC					0.0%	10.9%	13.8%	14.4%	29.1%	11.9%	4.6%	1.4%
ABILENE, TX	79601	SW	60	L5C	75.09	97.26	99.11	101.79	101.68	100.25	96.76	78.44
PERCENTAGE TO SMC					0.0%	29.5%	32.0%	35.6%	35.4%	33.5%	28.9%	4.5%
PUEBLO, CO	81001	MW	50	M1M	55.77	76.01	67.52	65.59	75.02	64.52	69.11	72.67
PERCENTAGE TO SMC					0.0%	36.3%	21.1%	17.6%	34.5%	15.7%	23.9%	30.3%
ALBUQUERQUE, NM	87101	SW	65	M2M	68.81	91.42	80.71	80.36	93.14	79.29	75.27	82.53
PERCENTAGE TO SMC					0.0%	32.9%	17.3%	16.8%	35.4%	15.2%	9.4%	19.9%
ROSWELL, NM	88201	SW	55	M5C	71.78	97.33	87.29	91.18	96.47	89.96	98.83	85.07
PERCENTAGE TO SMC					0.0%	35.6%	21.6%	27.0%	34.4%	25.3%	37.7%	18.5%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM TAMPA, FL - 33601 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	70.51	82.72	86.16	87.14	91.15	87.88	86.21	86.06
PERCENTAGE TO SMC					0.0%	17.3%	22.2%	23.6%	29.3%	24.6%	22.3%	22.1%
PORTLAND, ME	04101	E	70	M5C	85.80	112.55	96.81	99.45	110.15	97.98	92.08	103.81
PERCENTAGE TO SMC					0.0%	31.2%	12.8%	15.9%	28.4%	14.2%	7.3%	21.0%
NEWARK, NJ	07101	E	100	L5C	113.73	132.60	142.70	149.54	153.08	135.40	146.43	139.26
PERCENTAGE TO SMC					0.0%	16.6%	25.5%	31.5%	34.6%	19.1%	28.8%	22.4%
BUFFALO, NY	14201	E	65	M10M	35.27	40.33	39.70	43.25	45.38	42.53	38.74	41.97
PERCENTAGE TO SMC					0.0%	14.3%	12.6%	22.6%	28.7%	20.6%	9.8%	19.0%
PITTSBURGH, PA	15201	E	60	M5M	36.94	41.04	41.23	40.35	41.72	39.74	37.80	39.67
PERCENTAGE TO SMC					0.0%	11.1%	11.6%	9.2%	12.9%	7.6%	2.3%	7.4%
SCRANTON, PA	18501	E	85	M5C	90.32	104.02	95.02	94.60	112.46	92.96	91.66	117.71
PERCENTAGE TO SMC					0.0%	15.2%	5.2%	4.7%	24.5%	2.9%	1.5%	30.3%
DOVER, DE	19901	E	70	M1M	58.51	64.56	59.78	59.72	69.81	58.73	54.67	61.45
PERCENTAGE TO SMC					0.0%	10.3%	2.2%	2.1%	19.3%	0.4%	-6.6%	5.0%
BALTIMORE, MD	21201	E	85	M5M	45.77	48.71	45.45	43.99	49.51	43.24	42.04	58.50
PERCENTAGE TO SMC					0.0%	6.4%	-0.7%	-3.9%	8.2%	-5.5%	-8.1%	27.8%
GREENSBORO, NC	27401	S	92.5	L5C	81.16	76.07	85.92	90.85	100.96	91.56	81.74	75.96
PERCENTAGE TO SMC					0.0%	-6.3%	5.9%	11.9%	24.4%	12.8%	0.7%	-6.4%
AIKEN, SC	29801	S	100	M5C	66.45	66.37	80.49	71.47	86.43	73.83	69.29	66.22
PERCENTAGE TO SMC					0.0%	-0.1%	21.1%	7.6%	30.1%	11.1%	4.3%	-0.3%
ATLANTA, GA	30301	S	100	M5C	68.15	67.43	71.62	71.44	87.89	93.90	64.63	67.38
PERCENTAGE TO SMC					0.0%	-1.1%	5.1%	4.8%	29.0%	37.8%	-5.2%	-1.1%
DUBLIN, GA	31021	S	55	M2M	26.08	27.61	32.43	33.36	33.78	34.32	26.57	26.00
PERCENTAGE TO SMC					0.0%	5.9%	24.3%	27.9%	29.5%	31.6%	1.9%	-0.3%
JACKSONVILLE, FL	32201	S	60	L5C	41.70	40.99	55.81	53.18	46.11	64.02	59.11	39.91
PERCENTAGE TO SMC					0.0%	-1.7%	33.8%	27.5%	10.6%	53.5%	41.8%	-4.3%
BIRMINGHAM, AL	35201	S	55	M1M	36.01	34.39	41.64	45.16	44.85	44.32	44.41	34.36
PERCENTAGE TO SMC					0.0%	-4.5%	15.6%	25.4%	24.5%	23.1%	23.3%	-4.6%
NASHVILLE, TN	37201	S	100	M2M	55.62	50.85	54.39	55.35	65.96	54.49	53.77	50.79
PERCENTAGE TO SMC					0.0%	-8.6%	-2.2%	-0.5%	18.6%	-2.0%	-3.3%	-8.7%
JACKSON, MS	39201	S	77.5	L5C	72.49	75.14	83.72	81.61	89.07	80.11	78.13	67.55
PERCENTAGE TO SMC					0.0%	3.7%	15.5%	12.6%	22.9%	10.5%	7.8%	-6.8%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	69.38	66.96	68.50	68.12	86.46	67.07	66.46	68.06
PERCENTAGE TO SMC					0.0%	-3.5%	-1.3%	-1.8%	24.6%	-3.3%	-4.2%	-1.9%
COLUMBUS, OH	43201	C	77.5	M10M	30.06	29.71	31.70	34.31	39.65	33.47	31.93	31.02
PERCENTAGE TO SMC					0.0%	-1.2%	5.5%	14.1%	31.9%	11.3%	6.2%	3.2%
AKRON, OH	44301	C	60	M5M	35.77	35.64	36.50	39.76	42.93	38.95	35.70	35.14
PERCENTAGE TO SMC					0.0%	-0.4%	2.0%	11.2%	20.0%	8.9%	-0.2%	-1.8%
INDIANAPOLIS, IN	46201	C	70	L5C	90.19	88.35	95.43	98.39	117.30	95.87	95.55	87.17
PERCENTAGE TO SMC					0.0%	-2.0%	5.8%	9.1%	30.1%	6.3%	5.9%	-3.3%
SOUTH BEND, IN	46601	C	100	L5C	120.52	121.16	133.64	137.42	160.84	134.17	134.00	119.53
PERCENTAGE TO SMC					0.0%	0.5%	10.9%	14.0%	33.5%	11.3%	11.2%	-0.8%
DETROIT, MI	48201	C	85	M1M	73.58	92.45	93.85	76.86	98.06	74.96	84.80	81.12
PERCENTAGE TO SMC					0.0%	25.6%	27.5%	4.5%	33.3%	1.9%	15.2%	10.2%
ALPENA, MI	49707	C	50	M1M	55.78	81.75	65.54	62.11	72.19	60.52	61.40	62.53
PERCENTAGE TO SMC					0.0%	46.6%	17.5%	11.3%	29.4%	8.5%	10.1%	12.1%
AMES, IA	50010	MW	92.5	M10M	44.34	51.62	55.09	59.55	60.82	58.66	53.93	50.39
PERCENTAGE TO SMC					0.0%	16.4%	24.2%	34.3%	37.2%	32.3%	21.6%	13.6%
MILWAUKEE, WI	53201	C	92.5	M10M	36.49	37.58	42.72	45.83	49.64	44.98	42.28	43.18
PERCENTAGE TO SMC					0.0%	3.0%	17.1%	25.6%	36.0%	23.3%	15.9%	18.3%
MINNEAPOLIS, MN	55401	C	100	M5C	112.00	144.58	128.33	126.53	151.90	124.21	128.57	124.98
PERCENTAGE TO SMC					0.0%	29.1%	14.6%	13.0%	35.6%	10.9%	14.8%	11.6%
ABERDEEN, SD	57401	MW	60	M5M	43.73	57.39	51.23	49.32	53.94	48.55	56.87	55.51
PERCENTAGE TO SMC					0.0%	31.2%	17.2%	12.8%	23.3%	11.0%	30.0%	26.9%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM TAMPA, FL - 33601 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	88.91	110.68	110.74	117.98	122.95	92.96	123.23	115.74
PERCENTAGE TO SMC					0.0%	24.5%	24.6%	32.7%	38.3%	4.6%	38.6%	30.2%
PEORIA, IL	61601	C	85	M2M	61.30	61.62	65.07	65.01	79.92	63.34	62.70	60.80
PERCENTAGE TO SMC					0.0%	0.5%	6.2%	6.1%	30.4%	3.3%	2.3%	-0.8%
ST. LOUIS, MO	63101	MW	77.5	M5M	40.53	39.33	39.36	41.20	49.34	40.48	38.70	39.17
PERCENTAGE TO SMC					0.0%	-3.0%	-2.9%	1.7%	21.7%	-0.1%	-4.5%	-3.4%
ROLLA, MO	65401	MW	70	M2M	49.75	56.65	58.53	53.26	64.56	52.45	59.68	51.06
PERCENTAGE TO SMC					0.0%	13.9%	17.6%	7.1%	29.8%	5.4%	20.0%	2.6%
WICHITA, KS	67201	MW	65	M5C	72.93	83.34	83.08	84.89	96.93	83.58	85.98	76.86
PERCENTAGE TO SMC					0.0%	14.3%	13.9%	16.4%	32.9%	14.6%	17.9%	5.4%
OMAHA, NE	68101	MW	55	M2M	46.22	53.33	50.45	50.77	61.73	49.95	49.70	49.97
PERCENTAGE TO SMC					0.0%	15.4%	9.2%	9.8%	33.6%	8.1%	7.5%	8.1%
ALEXANDRIA, LA	71301	SW	77.5	M5M	39.14	40.58	38.91	37.49	43.24	36.91	42.17	41.56
PERCENTAGE TO SMC					0.0%	3.7%	-0.6%	-4.2%	10.5%	-5.7%	7.7%	6.2%
FORT SMITH, AR	72901	SW	50	M10M	25.48	28.44	26.65	30.56	32.64	30.00	26.83	26.80
PERCENTAGE TO SMC					0.0%	11.6%	4.6%	19.9%	28.1%	17.7%	5.3%	5.2%
OKLAHOMA CITY, OK	73101	SW	85	M1M	71.33	81.55	77.44	78.39	94.90	77.17	76.65	75.18
PERCENTAGE TO SMC					0.0%	14.3%	8.6%	9.9%	33.0%	8.2%	7.5%	5.4%
DALLAS, TX	75201	SW	70	M5M	39.07	42.91	43.27	44.14	45.74	41.67	42.68	41.96
PERCENTAGE TO SMC					0.0%	9.8%	10.7%	13.0%	17.1%	6.7%	9.2%	7.4%
HOUSTON, TX	77001	SW	92.5	M5C	88.88	96.49	93.89	99.86	112.23	95.96	87.87	88.97
PERCENTAGE TO SMC					0.0%	8.6%	5.6%	12.4%	26.3%	8.0%	-1.1%	0.1%
ABILENE, TX	79601	SW	60	L5C	75.09	97.26	96.11	101.26	101.68	99.79	91.26	79.12
PERCENTAGE TO SMC					0.0%	29.5%	28.0%	34.9%	35.4%	32.9%	21.5%	5.4%
PUEBLO, CO	81001	MW	50	M1M	57.92	78.70	67.52	66.68	77.95	65.68	69.77	70.84
PERCENTAGE TO SMC					0.0%	35.9%	16.6%	15.1%	34.6%	13.4%	20.5%	22.3%
ALBUQUERQUE, NM	87101	SW	65	M2M	68.81	91.42	75.96	78.72	93.14	77.52	71.94	82.53
PERCENTAGE TO SMC					0.0%	32.9%	10.4%	14.4%	35.4%	12.7%	4.5%	19.9%
ROSWELL, NM	88201	SW	55	M5C	71.78	97.33	82.31	89.32	96.47	87.97	93.50	85.07
PERCENTAGE TO SMC					0.0%	35.6%	14.7%	24.4%	34.4%	22.6%	30.3%	18.5%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM TUPELO, MS - 38801 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	69.03	89.32	93.16	88.41	89.11	89.30	92.60	88.39
PERCENTAGE TO SMC					0.0%	29.4%	35.0%	28.1%	29.1%	29.4%	34.1%	28.0%
PORTLAND, ME	04101	E	70	M5C	84.06	110.15	107.61	101.88	107.80	100.19	98.26	108.02
PERCENTAGE TO SMC					0.0%	31.0%	28.0%	21.2%	28.2%	19.2%	16.9%	28.5%
NEWARK, NJ	07101	E	100	L5C	112.35	129.98	148.06	167.27	150.08	141.61	154.49	148.95
PERCENTAGE TO SMC					0.0%	15.7%	31.8%	48.9%	33.6%	26.0%	37.5%	32.6%
BUFFALO, NY	14201	E	65	M10M	30.70	32.27	33.75	34.37	36.36	33.82	32.00	28.73
PERCENTAGE TO SMC					0.0%	5.1%	9.9%	12.0%	18.4%	10.2%	4.2%	-6.4%
PITTSBURGH, PA	15201	E	60	M5M	33.21	34.05	35.86	34.96	34.60	34.47	31.51	28.60
PERCENTAGE TO SMC					0.0%	2.5%	8.0%	5.3%	4.2%	3.8%	-5.1%	-13.9%
SCRANTON, PA	18501	E	85	M5C	89.03	101.46	101.45	95.84	109.70	94.39	93.47	101.80
PERCENTAGE TO SMC					0.0%	14.0%	14.0%	7.6%	23.2%	6.0%	5.0%	14.3%
DOVER, DE	19901	E	70	M1M	59.41	66.29	66.74	64.35	71.68	63.25	63.09	63.69
PERCENTAGE TO SMC					0.0%	11.6%	12.3%	8.3%	20.7%	6.5%	6.2%	7.2%
BALTIMORE, MD	21201	E	85	M5M	45.06	47.38	47.30	44.41	48.13	43.76	46.30	53.81
PERCENTAGE TO SMC					0.0%	5.1%	5.0%	-1.4%	6.8%	-2.9%	2.8%	19.4%
GREENSBORO, NC	27401	S	92.5	L5C	81.16	76.07	92.05	95.63	100.96	100.40	88.83	76.17
PERCENTAGE TO SMC					0.0%	-6.3%	13.4%	17.8%	24.4%	23.7%	9.5%	-6.1%
AIKEN, SC	29801	S	100	M5C	69.84	68.47	89.80	79.12	89.24	75.90	72.62	68.60
PERCENTAGE TO SMC					0.0%	-2.0%	28.6%	13.3%	27.8%	8.7%	4.0%	-1.8%
ATLANTA, GA	30301	S	100	M5C	56.38	56.96	76.20	62.89	74.16	74.53	67.02	56.87
PERCENTAGE TO SMC					0.0%	1.0%	35.2%	11.5%	31.5%	32.2%	18.9%	0.9%
DUBLIN, GA	31021	S	55	M2M	26.08	27.61	35.93	28.50	33.78	31.25	32.07	26.00
PERCENTAGE TO SMC					0.0%	5.9%	37.8%	9.3%	29.5%	19.8%	23.0%	-0.3%
JACKSONVILLE, FL	32201	S	60	L5C	63.61	60.74	80.96	79.33	67.23	78.46	66.59	70.72
PERCENTAGE TO SMC					0.0%	-4.5%	27.3%	24.7%	5.7%	23.3%	4.7%	11.2%
BIRMINGHAM, AL	35201	S	55	M1M	19.68	19.68	31.62	28.04	25.66	27.42	29.42	19.64
PERCENTAGE TO SMC					0.0%	0.0%	60.7%	42.5%	30.4%	39.3%	49.5%	-0.2%
NASHVILLE, TN	37201	S	100	M2M	28.86	29.13	42.81	42.62	37.75	38.06	42.05	29.07
PERCENTAGE TO SMC					0.0%	0.9%	48.3%	47.7%	30.8%	31.9%	45.7%	0.7%
JACKSON, MS	39201	S	77.5	L5C	39.92	40.34	70.83	63.03	53.53	49.80	71.12	40.27
PERCENTAGE TO SMC					0.0%	1.1%	77.4%	57.9%	34.1%	24.7%	78.2%	0.9%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	42.40	43.23	59.47	45.67	56.41	47.86	45.85	42.88
PERCENTAGE TO SMC					0.0%	2.0%	40.3%	7.7%	33.0%	12.9%	8.1%	1.1%
COLUMBUS, OH	43201	C	77.5	M10M	21.98	20.99	25.02	25.00	28.01	24.35	24.02	21.93
PERCENTAGE TO SMC					0.0%	-4.5%	13.8%	13.7%	27.4%	10.8%	9.3%	-0.2%
AKRON, OH	44301	C	60	M5M	28.16	26.06	30.84	31.52	31.45	30.80	28.57	25.71
PERCENTAGE TO SMC					0.0%	-7.5%	9.5%	11.9%	11.7%	9.4%	1.5%	-8.7%
INDIANAPOLIS, IN	46201	C	70	L5C	70.45	69.33	85.74	80.49	92.04	80.50	86.31	68.41
PERCENTAGE TO SMC					0.0%	-1.6%	21.7%	14.3%	30.6%	14.3%	22.5%	-2.9%
SOUTH BEND, IN	46601	C	100	L5C	98.51	94.95	118.49	111.41	126.02	108.77	118.53	93.72
PERCENTAGE TO SMC					0.0%	-3.6%	20.3%	13.1%	27.9%	10.4%	20.3%	-4.9%
DETROIT, MI	48201	C	85	M1M	60.16	70.00	81.25	60.31	74.26	58.81	69.50	55.87
PERCENTAGE TO SMC					0.0%	16.4%	35.1%	0.2%	23.4%	-2.2%	15.5%	-7.1%
ALPENA, MI	49707	C	50	M1M	49.96	67.68	58.33	50.93	59.74	49.77	50.41	46.96
PERCENTAGE TO SMC					0.0%	35.5%	16.8%	1.9%	19.6%	-0.4%	0.9%	-6.0%
AMES, IA	50010	MW	92.5	M10M	33.40	30.73	43.07	41.45	40.55	40.85	38.86	32.06
PERCENTAGE TO SMC					0.0%	-8.0%	29.0%	24.1%	21.4%	22.3%	16.3%	-4.0%
MILWAUKEE, WI	53201	C	92.5	M10M	26.38	24.99	30.70	31.53	33.00	30.95	29.47	27.61
PERCENTAGE TO SMC					0.0%	-5.3%	16.4%	19.5%	25.1%	17.3%	11.7%	4.7%
MINNEAPOLIS, MN	55401	C	100	M5C	90.99	95.22	103.04	96.44	110.75	94.77	100.41	84.65
PERCENTAGE TO SMC					0.0%	4.6%	13.2%	6.0%	21.7%	4.2%	10.4%	-7.0%
ABERDEEN, SD	57401	MW	60	M5M	34.27	42.25	43.73	38.25	39.69	37.65	44.92	40.44
PERCENTAGE TO SMC					0.0%	23.3%	27.6%	11.6%	15.8%	9.9%	31.1%	18.0%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM TUPELO, MS - 38801		TERRI-		WEIGHT	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
TO [IN ZIP ORDER]	ZIP	TORY	CLASS	GROUP	SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	71.40	85.65	102.10	100.55	96.36	75.96	111.72	89.56
PERCENTAGE TO SMC					0.0%	20.0%	43.0%	40.8%	35.0%	6.4%	56.5%	25.4%
PEORIA, IL	61601	C	85	M2M	40.96	40.31	46.17	42.05	52.26	40.97	43.54	39.78
PERCENTAGE TO SMC					0.0%	-1.6%	12.7%	2.7%	27.6%	0.0%	6.3%	-2.9%
ST. LOUIS, MO	63101	MW	77.5	M5M	21.21	21.22	26.83	25.34	27.71	33.29	25.34	20.94
PERCENTAGE TO SMC					0.0%	0.0%	26.5%	19.5%	30.6%	57.0%	19.5%	-1.3%
ROLLA, MO	65401	MW	70	M2M	31.57	32.16	42.31	33.55	41.30	38.84	41.00	31.10
PERCENTAGE TO SMC					0.0%	1.9%	34.0%	6.3%	30.8%	23.0%	29.9%	-1.5%
WICHITA, KS	67201	MW	65	M5C	55.03	57.64	65.45	59.66	67.03	58.56	66.25	50.74
PERCENTAGE TO SMC					0.0%	4.7%	18.9%	8.4%	21.8%	6.4%	20.4%	-7.8%
OMAHA, NE	68101	MW	55	M2M	34.94	31.64	37.17	34.46	41.04	33.93	35.62	31.69
PERCENTAGE TO SMC					0.0%	-9.4%	6.4%	-1.4%	17.5%	-2.9%	1.9%	-9.3%
ALEXANDRIA, LA	71301	SW	77.5	M5M	22.63	23.11	35.32	32.39	27.56	35.06	39.73	25.51
PERCENTAGE TO SMC					0.0%	2.1%	56.1%	43.1%	21.8%	54.9%	75.6%	12.7%
FORT SMITH, AR	72901	SW	50	M10M	13.97	14.40	18.28	22.72	18.87	20.82	21.41	14.92
PERCENTAGE TO SMC					0.0%	3.1%	30.9%	62.6%	35.1%	49.0%	53.3%	6.8%
OKLAHOMA CITY, OK	73101	SW	85	M1M	50.81	48.70	57.42	53.64	63.42	52.75	57.16	48.02
PERCENTAGE TO SMC					0.0%	-4.2%	13.0%	5.6%	24.8%	3.8%	12.5%	-5.5%
DALLAS, TX	75201	SW	70	M5M	28.01	26.57	34.57	35.57	31.72	32.43	34.75	27.80
PERCENTAGE TO SMC					0.0%	-5.1%	23.4%	27.0%	13.2%	15.8%	24.1%	-0.7%
HOUSTON, TX	77001	SW	92.5	M5C	71.51	67.98	87.60	86.36	88.53	82.00	76.49	67.08
PERCENTAGE TO SMC					0.0%	-4.9%	22.5%	20.8%	23.8%	14.7%	7.0%	-6.2%
ABILENE, TX	79601	SW	60	L5C	62.79	65.35	78.58	82.56	75.42	81.34	78.85	56.07
PERCENTAGE TO SMC					0.0%	4.1%	25.1%	31.5%	20.1%	29.5%	25.6%	-10.7%
PUEBLO, CO	81001	MW	50	M1M	45.37	59.05	59.32	52.54	57.38	51.64	57.22	51.64
PERCENTAGE TO SMC					0.0%	30.2%	30.7%	15.8%	26.5%	13.8%	26.1%	13.8%
ALBUQUERQUE, NM	87101	SW	65	M2M	55.29	72.12	70.55	64.47	72.45	63.41	60.07	64.20
PERCENTAGE TO SMC					0.0%	30.4%	27.6%	16.6%	31.0%	14.7%	8.6%	16.1%
ROSWELL, NM	88201	SW	55	M5C	59.82	77.27	77.50	75.59	74.81	74.50	81.88	65.98
PERCENTAGE TO SMC					0.0%	29.2%	29.6%	26.4%	25.1%	24.5%	36.9%	10.3%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM WAYCROSS, GA - 31501 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
BOSTON, MA	02101	E	50	L5C	66.12	75.37	92.04	84.77	83.04	83.46	90.60	82.53
PERCENTAGE TO SMC					0.0%	14.0%	39.2%	28.2%	25.6%	26.2%	37.0%	24.8%
PORTLAND, ME	04101	E	70	M5C	79.43	102.97	111.96	98.11	100.76	96.54	96.21	100.44
PERCENTAGE TO SMC					0.0%	29.6%	41.0%	23.5%	26.9%	21.5%	21.1%	26.5%
NEWARK, NJ	07101	E	100	L5C	106.82	119.50	146.25	157.75	137.91	132.44	144.22	141.53
PERCENTAGE TO SMC					0.0%	11.9%	36.9%	47.7%	29.1%	24.0%	35.0%	32.5%
BUFFALO, NY	14201	E	65	M10M	32.61	35.85	41.62	39.46	40.36	38.89	39.22	32.55
PERCENTAGE TO SMC					0.0%	9.9%	27.6%	21.0%	23.8%	19.3%	20.3%	-0.2%
PITTSBURGH, PA	15201	E	60	M5M	34.82	37.05	42.09	38.56	37.66	37.99	37.55	31.75
PERCENTAGE TO SMC					0.0%	6.4%	20.9%	10.7%	8.2%	9.1%	7.8%	-8.8%
SCRANTON, PA	18501	E	85	M5C	85.12	93.87	103.84	91.64	101.51	90.03	90.40	97.55
PERCENTAGE TO SMC					0.0%	10.3%	22.0%	7.7%	19.3%	5.8%	6.2%	14.6%
DOVER, DE	19901	E	70	M1M	52.57	49.13	61.03	57.19	59.90	56.23	54.61	57.20
PERCENTAGE TO SMC					0.0%	-6.5%	16.1%	8.8%	13.9%	7.0%	3.9%	8.8%
BALTIMORE, MD	21201	E	85	M5M	38.89	35.50	43.21	40.62	40.43	40.05	40.77	43.55
PERCENTAGE TO SMC					0.0%	-8.7%	11.1%	4.4%	4.0%	3.0%	4.8%	12.0%
GREENSBORO, NC	27401	S	92.5	L5C	65.70	66.23	83.89	84.73	87.92	77.40	78.09	66.18
PERCENTAGE TO SMC					0.0%	0.8%	27.7%	29.0%	33.8%	17.8%	18.9%	0.7%
AIKEN, SC	29801	S	100	M5C	48.01	48.48	74.48	74.01	63.18	58.72	80.30	48.44
PERCENTAGE TO SMC					0.0%	1.0%	55.1%	54.2%	31.6%	22.3%	67.3%	0.9%
ATLANTA, GA	30301	S	100	M5C	52.22	52.72	89.77	76.93	68.66	70.18	80.65	52.65
PERCENTAGE TO SMC					0.0%	1.0%	71.9%	47.3%	31.5%	34.4%	54.4%	0.8%
DUBLIN, GA	31021	S	55	M2M	17.38	18.42	32.13	26.97	22.52	22.89	27.56	17.34
PERCENTAGE TO SMC					0.0%	6.0%	84.9%	55.2%	29.6%	31.7%	58.6%	-0.2%
JACKSONVILLE, FL	32201	S	60	L5C	30.82	30.80	50.95	54.56	34.12	44.67	47.48	35.87
PERCENTAGE TO SMC					0.0%	-0.1%	65.3%	77.0%	10.7%	44.9%	54.1%	16.4%
BIRMINGHAM, AL	35201	S	55	M1M	28.54	28.53	42.57	41.34	37.21	39.88	42.28	28.50
PERCENTAGE TO SMC					0.0%	0.0%	49.2%	44.8%	30.4%	39.7%	48.1%	-0.1%
NASHVILLE, TN	37201	S	100	M2M	45.87	44.63	56.49	51.15	57.86	53.66	50.80	44.56
PERCENTAGE TO SMC					0.0%	-2.7%	23.2%	11.5%	26.1%	17.0%	10.7%	-2.9%
JACKSON, MS	39201	S	77.5	L5C	60.73	59.55	96.24	74.21	79.08	73.04	76.79	59.47
PERCENTAGE TO SMC					0.0%	-1.9%	58.5%	22.2%	30.2%	20.3%	26.4%	-2.1%
ELIZABETHTOWN, KY	42701	S	92.5	M1M	59.66	56.68	79.43	62.13	73.14	61.01	64.21	55.63
PERCENTAGE TO SMC					0.0%	-5.0%	33.1%	4.1%	22.6%	2.3%	7.6%	-6.8%
COLUMBUS, OH	43201	C	77.5	M10M	28.68	27.05	33.39	31.72	36.13	30.97	30.33	28.26
PERCENTAGE TO SMC					0.0%	-5.7%	16.4%	10.6%	26.0%	8.0%	5.8%	-1.5%
AKRON, OH	44301	C	60	M5M	34.48	33.14	38.02	37.54	39.97	36.76	34.89	32.70
PERCENTAGE TO SMC					0.0%	-3.9%	10.3%	8.9%	15.9%	6.6%	1.2%	-5.2%
INDIANAPOLIS, IN	46201	C	70	L5C	86.84	81.92	104.63	94.23	108.76	91.86	96.91	80.81
PERCENTAGE TO SMC					0.0%	-5.7%	20.5%	8.5%	25.2%	5.8%	11.6%	-6.9%
SOUTH BEND, IN	46601	C	100	L5C	116.17	112.78	146.54	131.86	149.70	128.55	136.51	111.57
PERCENTAGE TO SMC					0.0%	-2.9%	26.1%	13.5%	28.9%	10.7%	17.5%	-4.0%
DETROIT, MI	48201	C	85	M1M	70.29	84.61	97.73	72.62	89.78	71.05	85.94	70.74
PERCENTAGE TO SMC					0.0%	20.4%	39.0%	3.3%	27.7%	1.1%	22.3%	0.6%
ALPENA, MI	49707	C	50	M1M	53.28	76.64	73.77	59.83	67.66	58.41	63.44	55.65
PERCENTAGE TO SMC					0.0%	43.8%	38.5%	12.3%	27.0%	9.6%	19.1%	4.4%
AMES, IA	50010	MW	92.5	M10M	41.95	47.05	61.87	55.84	55.48	54.92	55.71	47.20
PERCENTAGE TO SMC					0.0%	12.2%	47.5%	33.1%	32.3%	30.9%	32.8%	12.5%
MILWAUKEE, WI	53201	C	92.5	M10M	35.21	35.09	45.48	43.29	46.37	42.66	43.07	38.52
PERCENTAGE TO SMC					0.0%	-0.3%	29.2%	22.9%	31.7%	21.2%	22.3%	9.4%
MINNEAPOLIS, MN	55401	C	100	M5C	105.21	135.53	147.80	125.39	142.36	123.16	138.66	122.76
PERCENTAGE TO SMC					0.0%	28.8%	40.5%	19.2%	35.3%	17.1%	31.8%	16.7%
ABERDEEN, SD	57401	MW	60	M5M	40.51	53.07	59.37	48.34	49.87	47.59	59.38	53.70
PERCENTAGE TO SMC					0.0%	31.0%	46.6%	19.3%	23.1%	17.5%	46.6%	32.6%

APPENDIX A - MARKETPLACE RATE COMPARISON

FROM WAYCROSS, GA - 31501 TO [IN ZIP ORDER]	ZIP	TERRITORY	CLASS	WEIGHT GROUP	RATE IN DOLLARS AND CENTS PER 100 POUNDS							
					SMC	1	2	3	4	5	6	7
CHICAGO, IL	60601	C	65	L5C	85.70	103.01	118.32	115.02	114.80	90.01	123.98	101.60
PERCENTAGE TO SMC					0.0%	20.2%	38.1%	34.2%	34.0%	5.0%	44.7%	18.6%
PEORIA, IL	61601	C	85	M2M	58.53	56.29	67.45	58.03	72.96	56.76	61.94	55.70
PERCENTAGE TO SMC					0.0%	-3.8%	15.2%	-0.9%	24.7%	-3.0%	5.8%	-4.8%
ST. LOUIS, MO	63101	MW	77.5	M5M	39.03	36.47	41.88	38.54	45.91	37.97	38.21	35.97
PERCENTAGE TO SMC					0.0%	-6.6%	7.3%	-1.3%	17.6%	-2.7%	-2.1%	-7.8%
ROLLA, MO	65401	MW	70	M2M	46.87	51.01	63.03	49.80	58.11	49.08	58.42	45.93
PERCENTAGE TO SMC					0.0%	8.8%	34.5%	6.3%	24.0%	4.7%	24.6%	-2.0%
WICHITA, KS	67201	MW	65	M5C	68.94	75.76	88.03	79.32	88.13	78.14	88.93	69.87
PERCENTAGE TO SMC					0.0%	9.9%	27.7%	15.1%	27.8%	13.3%	29.0%	1.3%
OMAHA, NE	68101	MW	55	M2M	43.41	53.90	57.59	47.10	56.35	46.33	51.43	46.03
PERCENTAGE TO SMC					0.0%	24.2%	32.7%	8.5%	29.8%	6.7%	18.5%	6.0%
ALEXANDRIA, LA	71301	SW	77.5	M5M	33.67	34.54	43.75	35.90	36.82	35.38	42.25	35.37
PERCENTAGE TO SMC					0.0%	2.6%	29.9%	6.6%	9.4%	5.1%	25.5%	5.0%
FORT SMITH, AR	72901	SW	50	M10M	23.99	25.53	29.74	28.57	29.33	28.12	26.09	24.07
PERCENTAGE TO SMC					0.0%	6.4%	24.0%	19.1%	22.3%	17.2%	8.8%	0.3%
OKLAHOMA CITY, OK	73101	SW	85	M1M	67.37	74.00	83.67	73.11	86.08	72.00	79.60	65.19
PERCENTAGE TO SMC					0.0%	9.8%	24.2%	8.5%	27.8%	6.9%	18.2%	-3.2%
DALLAS, TX	75201	SW	70	M5M	36.81	38.63	48.05	43.56	41.13	40.65	41.89	37.42
PERCENTAGE TO SMC					0.0%	4.9%	30.5%	18.3%	11.7%	10.4%	13.8%	1.7%
HOUSTON, TX	77001	SW	92.5	M5C	86.23	91.39	113.90	102.69	106.33	98.22	94.82	83.55
PERCENTAGE TO SMC					0.0%	6.0%	32.1%	19.1%	23.3%	13.9%	10.0%	-3.1%
ABILENE, TX	79601	SW	60	L5C	70.99	88.42	103.19	98.40	92.43	97.00	94.78	71.31
PERCENTAGE TO SMC					0.0%	24.6%	45.4%	38.6%	30.2%	36.6%	33.5%	0.5%
PUEBLO, CO	81001	MW	50	M1M	53.65	72.64	77.44	66.70	72.11	65.56	73.19	69.81
PERCENTAGE TO SMC					0.0%	35.4%	44.3%	24.3%	34.4%	22.2%	36.4%	30.1%
ALBUQUERQUE, NM	87101	SW	65	M2M	63.85	85.26	90.81	77.78	86.25	76.77	75.15	76.43
PERCENTAGE TO SMC					0.0%	33.5%	42.2%	21.8%	35.1%	20.2%	17.7%	19.7%
ROSWELL, NM	88201	SW	55	M5C	66.08	89.97	96.75	89.35	88.57	88.07	98.56	78.13
PERCENTAGE TO SMC					0.0%	36.2%	46.4%	35.2%	34.0%	33.3%	49.2%	18.2%

EXPLANATION OF WEIGHTS:

L5C Applies on shipments weighing less than 500 pounds.
M5C Applies on shipments weighing 500 pounds or more, but less than 1,000 pounds.
M1M Applies on shipments weighing 1,000 pounds or more, but less than 2,000 pounds.
M2M Applies on shipments weighing 2,000 pounds or more, but less than 5,000 pounds.
M5M Applies on shipments weighing 5,000 pounds or more, but less than 10,000 pounds.
M10M Applies on shipments weighing 10,000 pounds or more, but less than 20,000 pounds.

TERRITORIAL DESIGNATIONS:

C Central
E Eastern
MW Middlewestern
S Southern
SW Southwestern

07/28/2003

APPENDIX B

The individual carriers referred to are:

ABF Freight Systems, Inc., rates from ABF 504, Effective July 14, 2003;

Central Transport, International, Inc., rates from CTII 555, Effective July 26, 2003;

Fedex Freight East, rates from FXFE 10001, Effective June 30, 2003;

Roadway Express, Inc., rates from RDWY 507, Effective July 13 2003;

USF (Including USF Dugan, USF Holland and USF Red Star), rates from USF 502,
Effective June 2, 2003;

Vitran Express, rates from VITR 500, Effective March 24, 2003;

Yellow Transportation, Inc., rates from YFSY 500, Effective August 18, 2003

VI.
Supporting Statements
of
Member Motor Carriers

OVERNITE TRANSPORTATION COMPANY

P.O. BOX 1216 / RICHMOND, VA 23218



KENNETH J. BURROUGHS, JR.
VICE PRESIDENT-PRICING
AND CUSTOMER SERVICE

PHONE: 804-231-8238
FAX: 804-231-8540
email: kjburroughs@overnite.com

April 8, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

RE: STB Section 5a Application No 46 (Sub-No.20)
Southern Motor Carriers Rate Conference, Inc.

Dear Chairman Nober:

My name is Kenneth J. Burroughs, Jr. and I am the Vice President of Pricing and Customer Service for Overnite Transportation Company (Overnite). Overnite is submitting this letter in support of the Southern Motor Carrier Rate Conference, Inc.'s (SMC) reopened application requesting the expansion of its collective ratemaking authority nationwide.

Overnite provides direct service to 35,000 points through the United States through a network of 177 service centers. Through its sister company, Motor Cargo, Inc. and several other marketing partners, Overnite provides service to all point in the United States, Canada, Mexico and Puerto Rico for our customers. Overnite has about 13,000 employees and transports about 34,000 shipments each business day. In 2003, my company's total operating revenue was approximately \$1,475,000,000.

I have been employed in the motor carrier industry for about 32 years and have been with Overnite for almost eight years serving as its Vice President of Pricing and Customer Service for some four years. Throughout my career, I have served on the General Rate Committees of all of the major regional rate bureaus and have served on the Board of Directors for the SMC, the Rocky Mountain and Eastern Central Rate Bureaus. I currently represent my company on the General Rate Committee and serve on SMC's Board of Directors. Based on my industry experience and involvement in SMC, I am familiar with the service offered by SMC to the transportation community and its pricing and costing expertise.

There are three primary reasons Overnite has chosen to belong to the SMC, and no other rate bureau, as its rate development organization:

1. SMC knows the industry better than any other motor carrier association. In fulfilling its ratemaking responsibilities in its current authorized territory, SMC has developed a Carrier Cost Index which is the most reliable cost index that captures true motor carrier costs. Therefore, I believe that SMC's collectively established class rates accurately reflect carrier costs and meet accepted guidelines for an adequate and reasonable return of revenue to participating carriers. That class rate baseline provides a fair and reasonable benchmark for pricing negotiations with shippers for the carrier industry as a whole.

GENERAL OFFICE: P.O. BOX 1216 / RICHMOND, VIRGINIA 23218-1216
www.overnite.com

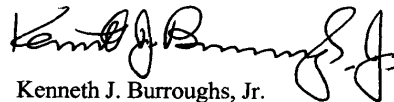
Honorable Roger Nober
April 8, 2004
Page 2

2. SMC has developed the best technology solutions for the transportation industry. They developed a National Traffic Database that provides the most accurate and timely market share data for the LTL industry. Their Rateware product is the best rate "engine" for automation of the rating functions of LTL carriers and has saved Overnite tens of thousands of dollars. Its Fast Class product provides electronic access to the National Motor Freight Classification to both shippers and carriers alike.... to name just a few.
3. Deregulation, while providing many benefits, spawned an enormous assortment of unique pricing options, which has created confusion and uncertainty for many shippers. The SMC's CZAR-Lite family of products has provided a measure of stability for shippers and has become the industry standard baseline pricing mechanism preferred by a growing number of our shipper customers who prefer a single baseline platform for all of their LTL carriers to use.

The one key impediment of SMC meeting all of our needs remains the limitation brought about by the current regional rate bureau structure. This difficulty manifests itself in two key ways. First, when the various rate bureaus choose different effective dates for their general rate actions. Since shippers demand a single nationwide platform for LTL baseline rates, development of the CZAR-Lite product cannot be made available until the latest effective date chosen by the other regional rate bureaus. This disparity causes delay and complicates the process for changing the baseline of class rates. Second, granting SMC's petition would enable it to construct a fair and reasonable nationwide baseline of class rates for SMC carriers covering the full scope of the transportation operation they conduct. Granting SMC's petition and request for nationwide ratemaking authority will eliminate this obstacle.

In summary, the transportation, shipping and receiving communities need to be assured that reliable, consistent, and non-biased nationwide baseline rates will be readily available. The present CZAR-Lite baseline rates have reduced the pricing confusion in the SMC's authorized service area. SMC is the proven leader in offering the best products and services to the entire transportation community. Overnite strongly supports their petition to be allowed to expand their ratemaking jurisdiction to the entire United States and respectfully requests the Surface Transportation Board to grant their petition.

Respectfully submitted,



Kenneth J. Burroughs, Jr.



General Office:

3901 West Broad Street

Richmond, VA 23230-3962

Mailing Address:

P.O. Box 25612

Richmond, VA 23260-5612

Phone: 804/353-1900

Fax: 804/353-8001

www.estes-express.com

An ExpressLINK Carrier

March 4, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Southern Motor Carriers Rate Conference, Inc.
Section 5a Application No. 46 (Sub-No. 20)

Dear Chairman Nober:

Estes Express Lines continues its support of the Southern Motor Carriers Rate Conference (SMC), Inc.'s application seeking authority from the Surface Transportation Board to engage in collective ratemaking activities with antitrust immunity.

I am Paul J. Dugent, Vice President of Pricing and Traffic for Estes. When I submitted my original statement in support of this application in 1997, my company principally served 15 Eastern states, employing 5,200 persons, and had revenues of about \$415 million. Today, our operations cover 31 states, employing 9,300 persons, and our total revenue for 2003 was approximately \$865 million. While Estes was among the top 20 less-than-truckload carriers in 1997, it is now among the top 10.

Estes has about 38,000 active customer accounts. In addition to the 15 Eastern states served on a direct basis in 1997, we have added 16 states in New England, the Southwest and Midwest. Because of the needs of our customers Estes has expanded its transportation services to a major portion of the United States. About 62 percent of our traffic moves under contracts and private tariffs, and CZAR-Lite is used as the pricing mechanism in a substantial number. Additionally, Estes Tariff EXLA 500 is based on the CZAR-Lite rate structure.

In the past Estes belonged to a number of rate bureaus in addition to SMC. But, because those other organizations didn't meet our pricing needs, my company's participation is now limited to SMC. Our operations have expanded considerably over the past seven years. While SMC can meet our pricing needs in the Southern Territories in which it is presently authorized to conduct collective ratemaking activities, it cannot establish the baseline class rate in the other regions we serve.

Estes participates in the data gathering activities conducted by SMC in connection with its general rate changes, and is a member of SMC's General Rate Committee. My company strongly believes in the fairness and reasonableness of the class rate modifications established by SMC, and is confident that SMC's considerable rate expertise would result in a sound baseline of class rates throughout the nation if SMC's nationwide collective ratemaking agreement is approved. Based on Estes'

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January 26, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street NW
Washington, DC 20423

RE: SMC Nationwide Ratemaking Application

Dear Chairman Nober:

My name is Kevin J. Brink, and I am the Vice President-Business Development for Norrenberns Truck Service (known as NOTS) of Nashville, IL. I am authorized to submit this letter in support of Southern Motor Carriers Rate Conference, Inc.'s (SMC) for nationwide collective ratemaking authority. In all I have had about 20 years of experience in the trucking industry, with 17 of those years employed by NOTS. I have served as my company's Vice President-Business Development for the past two years.

NOTS is primarily a less-than-truckload motor carrier, but also provides truckload and expedited transportation services. In order to meet the needs of our customers, my company also engages in warehousing, with about 1.5 million square feet of storage capacity, and logistics services. To provide those services we hold motor common, motor contract and broker authorities.

Our principal service areas are in the State of Illinois, Kansas, and Missouri. Through interline arrangements we offer motor carrier service to 35 states. NOTS' gross annual revenue is approximately \$25 million, the major portion of which is derived from our LTL trucking services. My company provides service to 2,000 plus shippers a year, and transports some 72,000 shipments. Many of our customers are small and medium-sized shippers.

NOTS has been a member of SMC since 1981. My company's tariff is tailored on CZAR-Lite. We have found that CZAR-Lite provides our customers, and the 12 interline carriers we have partnerships with, with an easily usable rate base to facilitate our pricing negotiations. We also participate in the Rocky Mountain Motor Tariff Bureau and the Midwest Motor Tariff Bureau. But, SMC is the only bureau which provides my company with the full range of services we need to meet our customers' pricing needs. As a small

company we do not have the information technology required in today's transportation market. SMC has been exceptional in meeting those technology needs. We do not possess within our company the cost analysis and ratemaking expertise as do the major less-than-truckload motor carriers. With SMC's technology we are able to compete with the large carriers. SMC provides us with the rate diskettes and the cutting edge software products that enable my company to do many of the same things large carriers use to develop and keep business and to serve their customers. Also, SMC's products assist us in our contract negotiations and in successfully bidding on less-than-truckload traffic.

Because of the current restrictions on SMC's ratemaking authority, it can only develop class rates in the Southern Territories. It is unable to do so from our principal territory, namely the state of Illinois, Kansas, and Missouri, to the Western States we serve, and to a number of the other territories we reach. NOTS requests that SMC be granted nationwide authority so that the organization can develop a fair and reasonable class rate basis throughout our operating area, and include our costs and revenue needs in that baseline.

Respectfully submitted,

A handwritten signature in black ink, reading "Kevin J. Brink". The signature is written in a cursive, flowing style with a large initial "K".

Kevin J. Brink
Vice President-Business Development



*Our
Driving
Force
is
People*

March 5, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Dear Chairman Nober:

Averitt Express, Inc. is a motor carrier providing direct service to an 18-state territory, as well as to and from Southern, CA; Chicago, IL; Cleveland, OH; and St. Louis, MO. The states served direct include Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. Through interline arrangements with six primary carriers, and other carriers on inbound freight moving into my company's direct service territory, we offer and/or provide transportation services throughout the United States. My company is a member of Southern Motor Carriers Rate Conference, Inc. (SMC), and supports its application for collective ratemaking authority on a nationwide basis with antitrust immunity.

I am Mark W. Davis, Averitt's Vice President, Pricing/Traffic, and represent my company on SMC's General Rate Committee and serve on SMC's Board of Directors. I have been employed by Averitt for 25 years, and am thoroughly familiar with my company's pricing policies and requirements.

Averitt serves literally thousands of shippers, both active and new, annually. Its gross revenue in 2003 was over \$600 million. Averitt provides its services through a network of 84 terminals, and has about 6,500 employees. My company operates over 3,000 trucks in its less-than-truckload and truckload operations.

CZAR-Lite, a software product created by SMC and consisting of the matrix of class rates presently available across the nation, has become a pricing standard in my company's rate negotiations. About 60 percent of our traffic moves under contracts, and many of the shippers party to those arrangements require the use of CZAR-Lite for baseline pricing purposes. Also, in negotiating rates with our shipper customers CZAR-Lite is often required by them because it provides an easy and accurate vehicle for comparing carrier bids.

Over the years my company belonged to a number of rate bureaus, including Rocky Mountain Motor Tariff Bureau, Inc. and Eastern Central prior to its merger with Middle Atlantic Conference. Averitt withdrew from those other bureaus because their services did not meet my company's pricing needs. Further, the cost to my company for belonging to those multiple bureaus was substantial, but that expense was not considered justified by the services received by Averitt.

Honorable Roger Nober
March 5, 2004
Page 2

As stated, I am familiar with and participate through my company and individually in the process by which SMC collectively establishes its class rates. The carrier cost computations and revenue need assessments are based on sound data, and I have confidence in the integrity and reasonableness of that construction of industry average costs and the resulting changes to the class rate structure. I have also found that shippers with whom I negotiate my company's pricing believe that SMC's class rate modifications are fair and reasonable.

Averitt strongly supports the granting of SMC's nationwide collective ratemaking agreement.

Respectfully submitted,

A handwritten signature in cursive script, reading "Mark W. Davis".

Mark W. Davis

WATKINS

MOTOR LINES, INC.

March 17, 2004

Chairman Nober
Surface Transportation Board
1925 K St. N.W.
Washington, DC 20423-0001

Dear Chairman Nober:

Watkins Motor Lines, Inc. has authorized me to submit this statement in support of the pending application of Southern Motor Carriers Rate Conference, Inc. (SMC³) for nationwide ratemaking authority to collectively establish class rates with antitrust immunity. I have been employed by Watkins Motor Lines, Inc. for almost 35 years and am its Vice President, Pricing and Traffic. My Company is a member of SMC³, and I serve on its General Rate Committee.

My Company is the eighth largest less-than-truckload motor carrier operating in the United States, having an annual revenue in 2003 which exceeded 865 million dollars. We have over 85,000 active customer accounts and employ over 7,200 people. Our transportation services, formerly regional in nature, are conducted nationwide. We service our customers through 126 terminals and operate directly and through interline arrangements with some 95 motor carriers.

I originally submitted a statement supporting SMC³'s application on August 7, 1997. Then, CZAR-Lite, the class rate software pricing mechanism created by SMC³, was becoming an increasingly important factor in the negotiation of motor carrier transportation charges. Today, my Company's experience is that CZAR-Lite is the pricing tool of choice in virtually all segments of our pricing negotiations. Many of our shipper customers and transportation intermediaries with which we do business insist on the use of CZAR-Lite for their pricing purposes. I expressed concern over SMC³'s ability to publish the class rates established by other rate bureaus in other territories because of the needless disruption in the class rate structure which underpins CZAR-Lite, should those other organizations fail.

333 East Lemon Street, P.O. Box 95003, Lakeland, Florida 33804-5003 – (863) 687-4545
www.watkins.com



Surface Transportation Board

March 17, 2004

Page Two

Unfortunately, it appears that fate has overtaken The New England Motor Rate Bureau, Inc., Motor Carriers Traffic Association, and the Willamette Tariff Bureau, Inc., whose collective ratemaking agreements were not renewed. It is no secret that other rate bureaus have declining membership and limited services available to their members. Watkins Motor Lines, Inc. at one time belonged as a member in EC-MAC Motor Carriers Service Association, Inc. and Rocky Mountain Motor Tariff Bureau, Inc. but terminated that membership because my Company did not foresee those organizations offering the pricing services needed to compete in today's transportation marketplace. We believe that SMC³ has demonstrated its ability to respond to the marketplace with a variety of software products and services conducive to meeting the pricing needs of my Company in the highly competitive transportation market. Its unique costing expertise and data gathering of member carrier labor and non-labor costs make it very able to contract a fair and reasonable basis of class rates reflecting sound costing and revenue need principles.

My Company's pricing needs are well met by SMC³ in its authorized ratemaking territory. Nevertheless, that limited territory does not cover all our ratemaking needs, and we request that SMC³'s authority be expanded to cover the full scope of our operations. By granting SMC³'s application, the organization will have the ability to change, restructure, and/or modify the CZAR-Lite pricing baseline to meet the requirements created by changing market conditions. Shippers have long expressed their confidence in SMC³'s ratemaking capabilities and, in unprecedented numbers, gave their support to SMC³'s pending application. The marketplace has long awaited an organization capable of creating a reasonable, nationwide baseline of class rates, and I believe that SMC³ can fulfill that need.

The proliferation of rates after the tariff filing requirement was revoked by Congress caused numerous problems in pricing for carriers and shippers. An extremely complicated situation was created concerning the initiation of interline arrangements with other motor carriers having individual rate baselines. Initially, Watkins Motor Lines, Inc. had to track several hundred individual carrier tariffs which were very difficult to maintain, let alone determine the correct applicable rate. CZAR-Lite has facilitated the implementation of interline arrangements by simplifying the negotiation process by a common pricing baseline. That process should be improved by enabling SMC³ to construct a nationwide baseline of class rates and establish a more competitive and reasonable pricing mechanism truly reflecting actual carrier costs and revenue needs.

Surface Transportation Board

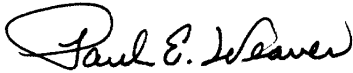
March 17, 2004

Page Three

I have spent almost 50 years in the motor carrier industry and have experienced firsthand the dramatic changes that have occurred in the marketplace through the many legislative and regulatory initiatives that have taken place. Shippers and carriers alike have struggled to adjust to the drastically changed environment which occurred in motor carrier pricing. CZAR-Lite has been a very important instrumentality in facilitating that changeover to market pricing. In my view, and that of Watkins Motor Lines, Inc., SMC³ can enhance competitive pricing in the marketplace through its widely acknowledged rate expertise in constructing a competitive nationwide rate structure for its member motor carriers.

Respectfully submitted,

Watkins Motor Lines, Inc.

A handwritten signature in cursive script that reads "Paul E. Weaver".

Paul E. Weaver

Vice President, Pricing and Traffic

PEW/lc



March 5, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Dear Chairman Nober:

I am Richard F. Keeler, Vice President, Pricing and Strategic Development, Old Dominion Freight Line, Inc. My company supports the application of Southern Motor Carriers Rate Conference, Inc. (SMC) for nationwide collective ratemaking authority. Old Dominion is a member motor carrier of SMC, and I serve on the General Rate Committee.

Old Dominion is a multi-regional carrier operating from, to and within the Southeast, Northeast, Midwest and Southwest and Western regions of the United States. In 1996, my company's revenue was about 293 million dollars. In 2003, our annual revenue was about 667 million dollars. Old Dominion serves about 75,000 active shipper customers through a network of 126 terminal facilities having about 8,000 employees.

With the multitude of pricing negotiations and decisions my company must complete the need for a reliable, simplified and easily accessible motor carrier pricing mechanism is critical, particularly in this extremely competitive motor carrier market. Deregulation enabled motor carriers to have greater freedom in establishing pricing levels and pricing tools. Shippers have created their own pricing methods for core carriers and in conducting an evaluation of carrier pricing bids. My company, as well as our shippers and interline carriers, quickly realized the need for a common "yardstick" to measure pricing levels. It was also recognized that such pricing system had to be fair, simplified and capable of being interchanged between computers. CZAR-Lite quickly was identified as a "yardstick" meeting those requirements, and continues to grow in use as the base rates upon which my company and its customers can price motor carrier services and assess the responsiveness of carrier bids.

A concern expressed by my company in its 1997 statement in support of SMC's nationwide collective ratemaking application was the survival of the motor carrier regional ratemaking associations which establish the class rates which comprise the CZAR-Lite matrix. It

is common knowledge that three of the rate bureaus did not have their Section 5a Agreements renewed and can no longer collectively establish class rates in their respective regions with antitrust immunity. Other bureaus have continued to experience a decline in membership and do not have the ability to create the pricing products essential to assisting carriers to compete in the marketplace. Based on my participation on the General Rate Committee and as a member of its Board of Directors, I believe that SMC does possess the expertise and resources to collectively establish the class rates necessary to modify and update the CZAR-Lite class rate baseline nationwide.

In conducting its operations nationwide, and in engaging in pricing negotiations throughout the United States, Old Dominion is very aware that there are base class rates applicable in lanes outside of SMC's ratemaking territory which must be modified or changed to be competitive and/or compensatory. Under the present archaic regional ratemaking structure, those changes or modifications must await action, if any, by other carriers based on unknown costing and revenue principles. SMC, and in turn Old Dominion, ought to be authorized to adjust the base class rates in those lanes as competitive needs dictate, and not be dependent upon others to undertake those pricing actions.

Old Dominion therefore asks the Surface Transportation Board to approve SMC's nationwide collective ratemaking application.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard F. Keeler", written in a cursive style.

Richard F. Keeler

SOUTHEASTERN

FREIGHT LINES, INC.

April 13, 2004



To Whom It May Concern:

My name is Russell L. Garrett, and I am the Vice President, Pricing and Traffic for Southeastern Freight Lines, Inc. Southeastern, a motor carrier member of Southern Motor Carriers Rate Conference, Inc. (SMC) reaffirms its continued support of SMC's application to obtain nationwide collective ratemaking authority from the Surface Transportation Board.

Southeastern operates principally in a ten-state territory comprised of Virginia, North Carolina, South Carolina, Georgia, Florida, Tennessee, Alabama, Louisiana, Texas, and Mississippi. To meet the transportation requirements of the 58,000 shipper customers we serve annually, we must maintain interline arrangements with some 31 other motor carriers to provide service throughout the United States. Southeastern operates 66 terminal facilities located in the 10 above-identified states, and has 6,000 employees. We handled over 5,359,817 shipments in 2003, and the company's revenues were about \$483,811,000.

Southeastern relies heavily on the pricing services and information available from SMC. There has been wide acceptance of CZAR – Lite as the pricing base line by many of our shipper customers. The inability of SMC to engage in collective ratemaking activities beyond its defined and limited ratemaking territory is of continuing concern to my company. We are familiar with the cost data collected by SMC in formulating the need for general rate increases, and participate in supplying the information requested by SMC from the member motor carriers through surveys of their labor and non-labor costs. My experience has been, and is, that SMC's Carrier Cost Index and revenue need assessments produce a very reasonable and competitive level of baseline class rates in the Southern Territory. I do not have any information on the participating member motor carriers or the data collection procedures of any of the other bureaus in constructing their general rate increases, nor do they make that information public, as does SMC.

Southeastern believes that through SMC, a rate bureau that has proven its expertise in pricing matters, my company should be able to establish a baseline of class rates applicable throughout the many territories in which it provides its transportation services. Through lessened regulations our operations have expanded nationwide, and the rate bureau of our choice should be capable of meeting all our pricing requirements.

Respectfully Submitted,

Russell L. Garrett
Vice President, Pricing and Traffic



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January 28, 2004

The Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Re: Section 5a Application No. 46 (Sub-No. 20)
Southern Motor Carriers Rate Conference, Inc.

Dear Chairman Nober:

My name is Edward L. Guffey and I am the Vice President-Traffic for Wilson Trucking Corporation located in Fishersville, VA. My company is a member of Southern Motor Carriers Rate Conference, Inc. (SMC), and I have been authorized by my company to provide this statement in support of SMC's renewed request for nationwide collective ratemaking authority.

Wilson Trucking Corporation, in business since 1926, is a medium-size motor carrier specializing in the transportation of less-than-truckload traffic, primarily in the Southeastern United States. Like other carriers, shipper demand for service has required that we expand our operations into other areas of the country. Therefore, in addition to our direct service area, we have entered partnerships with various carriers so that we can provide interline service throughout the United States. At present, we have interline arrangements with some 59 motor carriers. We serve literally tens of thousands of customers a year and, in 2003, transported about 1,367,000 shipments. My company's annual revenue in 2003 was approximately 122,000,000, with about 91 percent of that revenue generated by less-than-truckload traffic.

Wilson Trucking Corporation has long utilized CZAR-Lite rates as our base rates. While we have the capability in-house to and do price our transportation services, we value CZAR-Lite because it makes benchmarking and rate comparisons easy. Further, the CZAR-Lite system of pricing facilitates interline arrangements because, using a common baseline, a realistic thru-rate can be readily agreed to by the participating carriers. When individual rate bases are involved, the negotiation and establishment of a thru-rate can be complicated and lead to disputes as to the correct allocation of revenues among the carriers.



March 8, 2004

FRED PEARCE
Vice President
Pricing/Marketing

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Dear Chairman Nober:

My name is Fred Pearce and I am the Vice President, Pricing & Marketing, for AAA Cooper Transportation. My company requests that the Surface Transportation Board approve the application of Southern Motor Carriers Rate Conference, Inc. (SMC) to collectively establish class rates on a nationwide basis for its member motor carriers. AAA Cooper Transportation is a member of SMC, and I serve on its General Rate Committee which considers and establishes changes and modifications to the class rate structure collectively established in the so-called Southern Territory.

AAA Cooper Transportation serves all points in eleven southern states and the commercial zones of Chicago, IL; Minneapolis, MN; Philadelphia, PA; and Lexington and Louisville, KY. My company has established interline arrangements with some 10 motor carriers for handling traffic into and out of our direct service territories.

I have been employed by AAA Cooper Transportation for 39 years, and have been and am involved in the company's pricing arrangements with its customers. We have some 33,000 active shipper accounts. About 300 of our contract customers use CZAR-Lite. About 50 percent of our non-contract revenue from shipper customers is created by CZAR-Lite rates. All interline traffic originated by my company in its direct service area moves on CZAR-Lite rates. In 2003, AAA Cooper Transportation had gross revenues in excess of \$408 million.

Through my membership on SMC's General Rate Committee, and my company's submission of information in response to SMC's labor and non-labor surveys, I have firsthand knowledge of the construction of the Carrier Cost Index which is analyzed in determining changes and modifications in the class rate structure in SMC's collective ratemaking territory. My company and I are of the opinion that the collective rate actions resulting from the application of the Carrier Cost Index and consideration of the carriers' revenue needs results in necessary and unbiased adjustments to the SMC class rates. AAA Cooper Transportation makes extensive use of those class rates in our pricing negotiations in the Southern Territory, and that pricing mechanism is widely accepted, if not insisted upon, by many of our shipper customers. But, we do not have the same confidence with the class rate structures encountered in other ratemaking territories.



PHONE 948-4251

P.O. BOX 8308

JACKSON, MISSISSIPPI 39284-8308

February 20, 2004

The Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Re: Section 5a Application No. 46(Sub-No. 20)
Southern Motor Carriers Rate Conference, Inc.

Dear Chairman Nober:

My name is Larry Kerr, and I am submitting this statement in support of Southern Motor Carriers Rate Conference, Inc.'s (SMC) renewed request for nationwide collective ratemaking authority. I am a member motor carrier of SMC and depend upon its rate and pricing expertise in assisting me in making my pricing decisions.

Shippers Express, Inc. is a small, privately owned motor carrier serving the state of Mississippi and New Orleans, LA, Memphis, TN and Birmingham, AL. I have been in the trucking business for 37 years, and joined Shippers Express, Inc. in 1963 when the company was founded. I have served as my company's president since 1978, and am involved in all phases of its operations. Shippers Express, Inc. has 118 employees and operates 64 power units.

Annually, the company serves between 1,500 and 2,000 shipper customers, and handles around 40,000 shipments. That traffic originates at origins located throughout the United States and is destined to the company's principal service points in our operating territory. Conversely, Shippers Express, Inc. handles shipments originating in its original service area and destined to points throughout the United States. Although Shippers Express, Inc. is authorized to operate nationally, operating and cost considerations dictate that service to a number of points outside my company's described operations be handled on an interline basis with other carriers. Shippers Express, Inc.'s total operating revenue in 2002 was \$7,229,000.00

In the past, because of the very rural nature of Mississippi a number of national and regional carriers cut back their operations into the state and interlined their freight

with my company. In 1997 interline business comprised approximately 30 percent of my company's business. Today, more carriers have returned to servicing the transportation needs of Mississippi shippers on a direct basis, and interline business now makes up about 15 percent of Shippers Express, Inc.'s revenue. Nevertheless, my company must still retain interline arrangements with 15 to 16 motor carriers in order to meet my customers transportation needs outbound and inbound.

With 15 to 16 interline carriers my company encounters many different pricing options and tariffs. For a small company it is difficult to keep track of those diverse pricing strategies and tariffs. I have seen a substantial growth in the use of CZAR-Lite in the past several years. That baseline pricing mechanism has gone far in enabling my company to establish interline arrangements and to avoid the pricing complexity and disagreements which occurred when individual tariffs are used.

CZAR-Lite has played an even more important role in enabling my company to price its direct services, which represents the major segment of our business. In a company as small as Shippers Express, Inc. we do not have the financial ability to retain a pricing department. I am the individual charged with that responsibility. Pricing in today's market is critical and difficult at best. While I have the ability to assess our line haul expenses, other elements of the pricing equation are not readily available to me. This is one of the principal reasons I am a member of SMC.

SMC over the years has demonstrated to me its high level of expertise in motor carrier costing and in assessing revenue need. Its projections of labor and non-labor costs greatly assist me in assessing the pricing levels necessary to meet my revenue needs. Now that my base of direct line operations necessarily is expanding to meet customer needs and carrier competition, accurate pricing is absolutely essential for my company's success. CZAR-Lite, based on the average costs and revenue needs of my competitors and my company, has proven invaluable as a guide in my pricing strategy decisions.

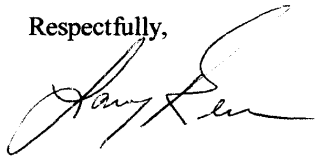
Now that my operations have expanded I believe that it is essential that the member motor carriers of SMC be authorized to collectively establish their class rates on a nationwide basis. Our operations are no longer confined to the ratemaking territory presently available under SMC's Section 5a Agreement. It is important that SMC be able to establish class rates in the other territories I now operate in directly or through interline agreements. In that way, my costs and revenue needs are reflected in those rate structures, rather than those of other carriers operating in other regions which bear little if any relationship to the pricing mechanism I wish to use.

Most of Shippers Express, Inc.'s customers are small size companies. Pricing motor carrier services from a known and reliable baseline of class rates aides shipper customers in understanding my rate levels and being able to better make competitive comparisons of the rates offered for their traffic. This is especially true for those shippers which do not have the ability to computerize their ratemaking. To assist them in understanding the rates offered, my company supplies hard copies of our tariffs to our sales people for distribution to those customers. It would be even more helpful if we had

a hard copy of a nationwide class rate pricing mechanism to distribute to them which reflected the pricing baseline of the SMC motor carriers tailored to their costs and revenue needs.

I have supported SMC's efforts to obtain nationwide collective ratemaking from the inception of that application, and am aware that the Surface Transportation Board previously recognized the validity and need for granting that request. As a small company engaged in extensive pricing negotiations and requiring a sound baseline pricing mechanism to achieve success in its transportation operations, I can assure you that the need for SMC being granted that authority is even greater today. I fully support SMC's request for nationwide collective ratemaking authority.

Respectfully,

A handwritten signature in black ink, appearing to read "Larry Kerr", written over a horizontal line.

Larry Kerr
President and CEO
Shippers Express, Inc.

Terminal

P.O. Box 1623, Concord, North Carolina 28026
1-800-849-0189 704-786-0189
FAX 704-782-0013

March 10, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Dear Chairman Nober:

This letter is submitted by Charlie F. Finley, Vice President-Traffic, Terminal Trucking Company, Inc. in full support of Southern Motor Carriers' application to extend its ratemaking authority to a nationwide basis.

Approval of their application will be a major step in simplifying the pricing process of motor carrier services for carriers and shippers alike. Approval of the application will facilitate tariff simplification, eliminate artificial boundaries and establish a fair and reasonable nationwide standard of baseline rates from shipper/carrier negotiations can begin. It will certainly reduce both carrier and shipper expenses by promoting efficiencies and reducing duplications.

Terminal Trucking is a small family owned and operates a trucking company that began operations in 1944. It provides direct service to the States of North Carolina, South Carolina, the northern part of Georgia, eastern Tennessee and southern Virginia. Through our four interchange arrangements we provide service to any point in the United States. We serve some 24,000 active shipper accounts, and last year had gross sales of approximately \$22,000,000. Terminal Trucking has 225 employees.

I am a member of Southern Motor Carriers' General Rate Committee. As a small company, Terminal Trucking finds it very difficult to price our transportation services with so many pricing schemes being used by nationwide carriers. That trickle down effect places the small carrier in the difficult position of often having to participate in a pricing scheme that may have been artificially increased or lowered over certain traffic lanes. CZAR-Lite has become an indispensable pricing tool in the transportation marketplace, and has assisted Terminal Trucking in overcoming the pricing problems created by pricing schemes inappropriate for our operations.

CZAR-Lite has proven to be an easy to use and easily accessible baseline of rates relied upon by shippers and carriers for transportation agreements, annual bids, transportation contracts and general pricing needs. CZAR-Lite has become so established in the marketplace that many of our shipper customers require that we use it exclusively in our dealing with them. They realize that having an identified baseline of rates throughout the entire 48 states puts them and the carriers on a level playing field. Using CZAR-Lite places everyone on the same page when it comes down to talking price. This is important for all parties to the transportation arrangements. Many customers use a third party freight payment plan and CZAR-Lite further simplifies that process and makes it much easier for those third party firms to secure rates and computer technology to do their jobs.

Honorable Roger Nober

March 3, 2004

Page 2

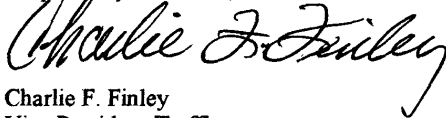
When I submitted my statement supporting Southern Motor Carriers' nationwide application in December 1996, I indicated that it was a well known fact that several of the regional associations would not be able to financially remain in business in the very near future. Unfortunately, the failure of three of the rate bureaus to have their Section 5a Agreements renewed by the Surface Transportation Board validated that observation. The concern over the future of some of the remaining rate bureaus persists because of declining carrier membership. This continues to be one of the extremely important reasons that the Southern Motor Carriers' application be approved. The financial strength and stability of Southern Motor Carriers, which reflects its innovative responses to today's transportation needs and the full support it enjoys from its members and the shipping community, ensures its continuation and its unique ability to respond to the already demonstrated demand from shippers and carriers for the pricing benchmark provided by CZAR-Lite. It will facilitate commerce and the movement of goods throughout this country.

Terminal Trucking has great concern and fears that the national carriers' rate publications will make our continued service to the shipping public and almost impossible task, and impair my company's ability to be an active participant in the marketplace. Certain tariff publications have inflated and deflated lanes which make it impossible for Terminal Trucking to be a factor in bidding for a shippers' business. These carriers have no interest in the short haul freight, yet their pricing schemes are still out there for short haul carriers to deal with. This places the short haul carriers at a very bad disadvantage through no fault of theirs. We need a level playing field so that we can participate and serve the shipping public. Many shippers depend on Terminal Trucking to provide services that large carriers cannot begin to deal with or handle the shippers' need..

Through Terminal Trucking's participation on Southern Motor Carriers' General Rate Committee we are part of the collective ratemaking process. It is difficult to understand why Southern Motor Carriers, in today's nationwide transportation marketplace which requires all carriers, regardless of size, to compete for freight moving between any and all points, cannot establish class rates based on economic needs of our member carriers. This is not only for our member carriers; but, for shippers all over the entire country to have a reasonable baseline for rates in dealing with any carrier. Even as a small carrier, we serve many points beyond Southern Motor Carriers' authorized ratemaking territory, yet, Southern Motor Carriers cannot meet our baseline pricing needs in those important traffic lanes.

Terminal Trucking Company strongly urges the Surface Transportation Board to approve Southern Motor Carriers' application for nationwide authority. This action will be of great benefit to the entire transportation community. It will be a positive step to make it more convenient for both shippers and carriers to compare pricing and reach a mutual ground where both can compete in the national and international marketplace.

Respectfully submitted,



Charlie F. Finley
Vice President-Traffic



P.O. Box 16709
Atlanta, GA 30321
404-267-2200

March 7, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Dear Chairman Nober:

This statement is submitted by Benton Express, Inc. in support of Southern Motor Carriers Rate Conference, Inc.'s pending application for nationwide collective ratemaking.

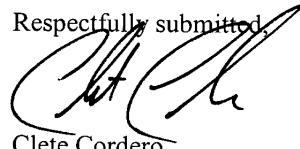
Benton Express, Inc. is a small, primarily less-than-truckload motor carrier. We provide direct service to the States of Alabama, Florida, Georgia, North Carolina, South Carolina, and Tennessee. Benton, through interline arrangements with five other motor carriers, provides transportation services to points across the United States and Canada in meeting the needs of its 2,200 active shippers.

About 30 percent of our revenues are derived through CZAR-Lite. Over the years a growing number of our shippers require that CZAR-Lite class rates be used as the baseline for pricing negotiations, and at least 40 percent of the bid proposals we receive use Czar-Lite as the pricing mechanism for submitting our prices for the services requested.

As a small carrier pricing is vital to the success of our company. We participate on SMC's General Rate Committee and rely heavily on that organization's expertise in our pricing decisions. Through SMC we are advised of economic indicators, Zip code changes, lane analyses, etc., information critical to sound pricing decisions. We also submit data in response to SMC's labor and non-labor surveys used in gathering cost information for consideration in general rate changes. We are confident that the class rate structure established by SMC in the organization's authorized ratemaking territory is fair and reasonable, and our shipper customers accept that pricing mechanism in our negotiations. We request that the Surface Transportation Board authorize the SMC to extend its collective ratemaking activities to meet our pricing needs beyond the Southern Territory.

In addition to SMC, Benton Express, Inc. participates in Rocky Mountain Motor Tariff Bureau, Inc. because of its divisions tariff RMB D-83. That rate bureau is the only organization authorized to establish a nationwide division sheets, and, because of our need to enter into interline arrangements to serve our customers, we participate in that tariff publication. We would prefer that SMC be authorized to establish a division's tariff. We do business with motor carriers providing transportation services in our operating territory. It would be beneficial to Benton Express if we could participate in the construction of a divisions tariff with those SMC carriers based upon our operating costs and revenue needs in establishing the interline arrangements which we require to serve our customers throughout the United States.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Cordero', written over the words 'Respectfully submitted,'.

Clete Cordero
VP Business Improvement



hec Transportation Logistics

Hazard Express Inc.

January 30, 2004

Chairman Roger Nober
Surface Transportation Board
1201 Constitution Avenue, NW
Washington, DC 20423-0001

Re: Section Sa No. 46 (Sub-No. 20)
Southern Motor Carriers Rate Conference, Inc

Dear Chairman Nober:

My position with Hazard Express is Vice President of Traffic/Sales. Pricing, routings, direct contact with our shippers, and carrier interlines comprise a large part of my day.

Hazard Express is a small carrier in the transportation industry serving over five hundred active small customers. My company maintains twenty seven active interlines with other motor carriers in Kentucky, Cincinnati, OH, and Nashville, TN.

Kentucky has a large number of very small mountain communities that have a problem with service. National and Regional carriers do not service many of the Kentucky rural mountain points and interline freight with Hazard Express which provides motor carrier transportation services to those communities.

There are many different pricing program options in the marketplace. That proliferation of rates greatly complicates the negotiation of pricing with our customers. A nationwide baseline of class rates established under the expert costing capabilities of SMC would greatly simplify that process. Hazard Express asks that the Surface Transportation Board approve the SMC application for nationwide ratemaking authority.

If SMC is granted nationwide authority Hazard Express will have its costs, efficiencies and revenue needs reflected in the baseline upon which its pricing will be based. Furthermore, with the use of that tailored baseline it will be possible to reduce or eliminate the multiple rate scales that must now be maintained by Hazard Express in dealing with interline carriers and shippers.



hec Transportation Logistics

Hazard Express Inc.

Chairman Roger Nober
January 30, 2004
Page 2

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Rod Lambert", is written over a horizontal line.

Rod Lambert
Vice President, Traffic\Sales



SMITH and WATERS, INC.

February 27, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Southern Motor Carriers Rate Conference, Inc.
Section 5a Application No. 46 (Sub-No.20)

Dear Chairman Nober:

I am the General Manager of Smith and Waters, Inc. a small trucking company with headquarters in Ware Shoals, South Carolina. My company hauls general commodities in a less-than -truckload operation in seven Southern states. I have been employed by Smith and Waters for about 45 years and am familiar with my company's operations and pricing needs. Although our operations are primarily regional, to be competitive we must be capable of providing service to any destination our shipper customers market their products. To meet that demand we have entered into interline arrangements with other motor carriers handling general freight moving into and out of our primary service area.

Pricing of motor carrier transportation services became more complex under deregulation. With the influx of literally thousands of motor carriers into the industry, the elimination of tariff filing, and the establishment of rate baselines by shippers, Smith and Waters has had a formidable challenge managing the pricing of its transportation services. With the introduction of CZAR-Lite by SMC my company's pricing requirements were greatly simplified. CZAR-Lite is easy to use, readily available, and structured so that rate comparisons are facilitated. Many of our shipper customers have accepted CZAR-Lite in our pricing negotiations.

Smith and Waters has long been a member of SMC and has great confidence in SMC's ability to compile data from its carrier members key to identifying carrier labor and non-labor costs and revenue needs. Based on that information, SMC's General Rate Committee carrier members establish fair and reasonable general rate changes in the base class rates applicable in the Southern Territories.

SMITH AND WATERS, INC. • P. O. BOX 570 • WARE SHOALS, SOUTH CAROLINA 29692

Honorable Roger Nober
February 27, 2004
Page 2

That process is conducted at public meetings in which carriers and interested shippers participate and have the opportunity to present their comments. After a decision has been reached by the General Rate Committee, SMC distributes a White Paper explaining the basis of the action taken. This greatly aids shippers in understading the adjustment that is being made to the class rates.

As a small company we do not have the financial ability to join multiple rate bureaus to make our views known, and to have our cost and revenue needs considered. I am not aware of any other rate bureau which informs the public as to the reasons for the general rate actions being taken by their member motor carriers or what information was relied upon in making that decision. I believe that my company should be able to have all its pricing requirements met by SMC which has proven itself over many years to possess the ratemaking expertise nessary to establish a fair and resonable baseline of class rates. Therefore, we support SMC's request for nationwide collective ratemaking authority, and request that the Surface Transportation Board grants SMC's application.

Sincerely,

Smith and Waters, Inc.

Harold Kay

Harold Kay
General Manager

**VII.
Supporting Statements
from the
Transportation Community**



September 18, 2003

The Honorable Roger Nober
Chairman
Surface Transportation Board
Mercury Building
1925 K Street, NW
Washington, DC 20423-0011

Re: SMC Request for Nationwide Collective
Ratemaking Authority

Dear Chairman Nober:

Cass Information Systems supports the renewal request of Southern Motor Carriers Rate Conference, Inc. (SMC) for nationwide ratemaking authority with immunity from the antitrust laws. In 1997, Cass Information Systems supported SMC's original request for nationwide collective ratemaking authority in SMC's Section 5a Application No. 46 (Sub-No. 20). As then, my company believes that enabling SMC to collectively establish a nationwide basis of class rates reflecting the recognized economies and efficiencies of its member motor carriers will enhance the availability of a competitive rate structure, and facilitate the abilities of shippers and carriers, respectively, to obtain and provide competitive motor carrier pricing options.

Cass Information Systems, Inc. has been in business since 1956. Our subsidiary, Cass Commercial Bank, has been in business since 1906. A copy of our 2002 summary annual report is enclosed.

Cass Information Systems authenticates, preaudits and pays nearly 22 million transportation freight bills with an annual value of \$8 billion yearly on behalf of 1,500 manufacturing and distributing business clients. We also license freight rating application services to shippers, carriers and logistics service providers.

Our freight payment process is highly automated. The information that we report is used by shippers and carriers alike. We have to come to depend on the CZAR-Lite family of products provided by SMC. We believe that the expansion of SMC's ratemaking authority on a nationwide basis so that it can establish class rates throughout the territories in which its carrier



*The Honorable Roger Nohr
Surface Transportation Board*

*September 19, 2003
Page 2*

members conduct their operations, and to which shippers and transportation intermediaries move their goods, is in the public interest.

While the regional structure of rate bureaus served the interests of the transportation community in another era, the welcome expansion of the operating authorities of the motor carriers, and the variety of price and service options now available in the marketplace, have created the need of carriers operating nationwide to have their own level of baseline class rates based on their costs and revenue requirements. That tailored pricing mechanism will better enable the carriers to offer competitive rates which, in turn, will benefit shippers.

SMC has been a uniquely responsive organization meeting the needs of both shippers and carriers long before deregulation. Since deregulation, SMC has continued to make investments in technology and provide innovative products to meet the needs of both shippers and carriers. Nationwide collective ratemaking authority will enable SMC to expand its creation of valuable pricing services for the transportation community. We respectfully urge the Surface Transportation Board to approve SMC's request for nationwide ratemaking authority.

Respectfully submitted,

A handwritten signature in black ink, reading "Robert V. Delaney". The signature is written in a cursive, flowing style.

Robert V. Delaney
Vice President

RVD/je

ROBERT V. DELANEY

Mr. Delaney is Vice President for Cass Information Systems, headquartered in St. Louis, Missouri. Cass is the largest provider of information services and systems to the logistics and transportation community in North America. Mr. Delaney also serves as a consultant to ProLogis. ProLogis is the largest, publicly held global owner and operator of distribution properties headquartered in the United States. Mr. Delaney is the principal author of the "State of Logistics Report"©, which is jointly sponsored by Cass and ProLogis.

Prior to joining Cass and ProLogis, Mr. Delaney served as a consultant in logistics and transportation with Arthur D. Little, Inc. and Ernst & Young. Mr. Delaney's transportation management experience includes service as Senior Vice President for Leaseway Transportation and Eastern Region Distribution Manager for Ryder Systems, Inc. His logistics management experience includes senior positions at International Paper Company, Pet Incorporated, Monsanto Chemical Company, and Nabisco.

Mr. Delaney is a graduate of the Alexander Hamilton Institute. He studied at New York University's Stern School of Business and earned his M.B.A. and B.S.B.A. degrees in 1966 and 1963, respectively. He did post-graduate work in Economics at St. Louis University and American University. Mr. Delaney is a certified member of the American Society of Transportation and Logistics. He is a founder member of the Warehousing Education and Research Council and Council of Logistics Management. He is a member of the National Press Club, the Cato Institute, and the Heritage Foundation. He is also a member of the Board of Directors of US Freightways Corporation.

Mr. Delaney contributed to writing the legislation that reformed the economic regulation of our motor carrier and railroad industries in 1980. He played a leading role in the passage of the Aviation Act of 1994 which ended the economic regulation of the trucking industry by the states. He is the co-author of two books on transportation strategy and distribution operations. His views and articles on transportation public policy have been widely published by business and transportation press. Mr. Delaney received the John Drury Sheahan Award for contributions to the field of business logistics from the Council of Logistics Management in 1981. Mr. Delaney received the Harry E. Salzberg Award for his contributions to transportation productivity from Syracuse University in 1988. He received the Joseph C. Scheleen Award for Excellence from the American Society of Transportation and Logistics in 1992.

MASCO

MASCO CORPORATION

March 26, 2004

The Honorable Roger Nober
Chairman
US Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Southern Motor Carriers Rate Conference, Inc.
Section 5a Application No. 46 (Sub-No. 20)

Dear Chairman Nober:

Masco Corporation once again strongly supports the Southern Motor Carriers Rate Conference, Inc.'s application for nationwide collective ratemaking authority. I am Masco's Manager, Logistic Services, and have been in the company's transportation group for 20 years.

Masco has some 60 operating companies in the United States and abroad, and has 61,000 employees. Masco's revenue in 2003 was \$10,936,000,000, with 80 percent of that revenue generated in the United States. The transportation budget for 2004 for less-than-truckload motor carrier services is \$55,000,000.

Masco's companies produce a vast array of products for the home and office, and those articles are shipped nationwide. As was stated in the statement submitted by my company on November 27, 1996 in support of Southern Motor Carrier's initial request for nationwide collective ratemaking authority, in 1987 we approached the former Central and Southern Motor Freight Bureau, which was merged with Southern Motor Carriers, to prepare a user friendly pricing system based on bureau class rates applicable throughout the United States. That software product was developed as CzarLite. With the use of that pricing mechanism we were able to overcome the substantial price comparison and negotiation problems that had been encountered with the multiple motor carrier rate bases that were applied in the marketplace. Those multiple rate bases made it extremely difficult to compare rate offers, and there were significant differences in those baselines which allegedly were patterned on the various bureau class rates.

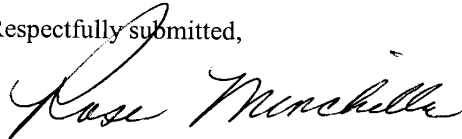
Chairman Nober
March 26, 2004
Page 2

Many of our principal carriers are members of Southern Motor Carriers. Some of these include Estes Express Lines, New England Motor Freight, Old Dominion Freight Line, Inc., Overnite Transportation Company, Watkins Motor Lines, Inc., Southeastern Freight Lines, Inc., Saia Motor Freight Line and others. Without nationwide ratemaking authority, Southern Motor Carriers can only collectively establish class rates for those carriers in the Southern Territory. We believe no sound reason exists for not permitting Southern Motor Carriers to establish class rates throughout the United States to and from which points its member carriers provide their transportation services, and to which service points we must have our products transported.

The level of class rates established by Southern Motor Carriers in Southern Territory is fair and reasonable, and very competitive with the class rates established by non-SMC³ member motor carriers operating in those areas. We are confident that with the costing procedures it has developed and its National Traffic Database, Southern Motor Carriers would establish a fair, reasonable and competitive baseline of class rates which would benefit its member motor carriers and shippers moving products throughout the United States.

Masco is a member of the National Industrial Transportation League and the Council of Logistics Management. Shippers with multiple locations, such as Masco, need a nationwide baseline of class rates to negotiate pricing for the transportation of their products to their customers. Southern Motor Carriers' costing expertise and the pricing needs of its member motor carriers and their customers warrants the granting of its expanded collective ratemaking application.

Respectfully submitted,

A handwritten signature in cursive script, reading "Rose Minchella".

Rose Minchella
Manager, Logistic Services



Pacific Inland Tariff Bureau
16303 NE Cameron Blvd
Portland, OR 97230
800.727.7293

Scott Edwards, Executive Director

December 8, 2003

Chairman Nober
Surface Transportation Board
1925 K Street N.W.
Washington, DC 20423

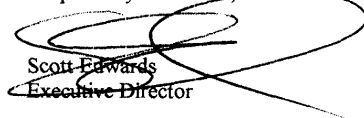
Dear Chairman Nober,

I am Scott Edwards, the Executive Director of the Pacific Inland Tariff Bureau, Inc. (PITB). The carrier members of PITB collectively establish class rates in the Western States under their Section 5A Agreement subject to the jurisdiction of the Surface Transportation Board (STB). This letter is offered in support of the pending application of Southern Motor Carriers Rate Bureau, Inc. (SMC) to enable its member motor carriers to collectively establish class rates nationwide.

PITB recognizes that the carrier membership of a motor carrier association generally differs from organization to organization, and that different costs and revenue requirements exist for the individual carrier bases. In recognition of those specific needs, PITB does not oppose the granting of SMC's application for nationwide collective ratemaking authority which would enable its member carriers to establish class rates in the Western States reflective of their distinct costs and revenue needs. SMC has also gone on record in the consolidated Board proceeding which addresses the then pending nationwide ratemaking applications as not opposing the PITB application, or that of any other motor carrier association, seeking nationwide ratemaking authority.

SMC has freely made its products and services available to PITB and its member motor carriers. That mutual cooperation has benefited the carrier membership of both organizations, and the shipping public as well. I believe that granting SMC's application will not only benefit its member carriers and the transportation community served by those carriers, but will offer a wider and more responsive range of products and services to PITB and its membership.

Respectfully Submitted,


Scott Edwards
Executive Director



J. Kenneth Hazen
President &
Chief Executive Officer

April 13, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Re: Southern Motor Carriers Rate Conference, Inc.
Section 5a Application No. 46 (Sub-No. 20)

Dear Chairman Nober:

Continental Traffic Service, Inc. is a 40-year old transportation and logistics service company specializing in freight bill audit payment and information management tools. My company has approximately 150 customers, and the scope of the territory they conduct their businesses covers the United States, Mexico and Canada. Our customers have over \$3 billion in paid freight bills annually.

In connection with our transportation and logistics operations, Continental Traffic, Inc. works with most of SMC's member carriers, including but not limited to Overnite Transportation Company, Southeastern Freight Lines and AAA Cooper Transportation.

Continental Traffic Service, Inc. is a member of NITL and NASSTRAC, and is an SMC associate member.

My company has been a licensed CZAR-Lite user since 1997. That product has been of considerable value to Continental Traffic Service, Inc. in meeting our customers' transportation and logistics needs. We are in support of SMC's nationwide collective ratemaking application because with that authority SMC would be able to utilize its ratemaking expertise in constructing a baseline of class rates covering its members actual transportation operations. Without that authority it would continue to be restricted to establishing baseline rates in the limited portion of its member motor carriers' operations permitted its restricted ratemaking agreement.

Sincerely,


J. Kenneth Hazen
President & CEO
Continental Traffic Service, Inc.



Delta Air Lines, Inc.
Post Office Box 20706
Atlanta, Georgia 30320-6001

April 5, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Re: Southern Motor Carriers Rate Conference, Inc.
Section 5a Application No. 46 (Sub-No. 20)

Dear Chairman Nober:

This letter is written in support of Southern Motor Carriers Rate Conference, Inc.'s (SMC³) application requesting the authority to collectively establish class rates nationwide. On December 17, 1996, Delta Air Lines, Inc. submitted a letter supporting SMC³'s effort when this application was first filed with the Surface Transportation Board. Delta Air Lines continues to believe that granting SMC³ nationwide ratemaking authority will benefit my company's transportation requirements.

Delta Air Lines ranks 150th among the Fortune 500 companies. Its revenue in 2003 was about \$13,303,000,000. In the normal course of doing business, Delta Air Lines receives and ships goods and materials throughout the United States. Extensive use is made of motor carrier transportation services, including the less-than-truckload services provided by SMC³'s member motor carriers.

In the process of negotiating and contracting for those transportation services, it is essential that Delta Air Lines has an efficient and affordable method to benchmark carrier rates and charges. SMC³'s CzarLite baseline rating system has provided my company such a benchmark. It would be more efficient and responsive if SMC³ member motor carriers could tailor their baseline of class rates with reference to the transportation operations they conduct throughout the United States. Approving SMC³'s application would provide their carries with the ability to construct their own benchmark nationwide. Delta Air Lines believes that SMC³'s member motor carriers should be provided that opportunity, and supports their application.

Very truly yours,

Pattie Weaver
Manager North American Logistics





Robert E. Palmer
Manager, Global
Transportation Administration

Emerson Electric Co.
8000 West Florissant Ave.
P.O. Box 4100
St. Louis, MO 63136-8506
314-553-1463
314-553-1082 fax
robert.palmer@emrnsn.com

April 6, 2004

To Whom It May Concern:

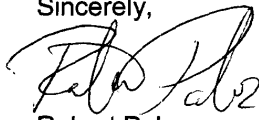
My name is Robert Palmer. I am the Manager, Global Transportation Administration for Emerson. I am writing this letter in support of nationwide ratemaking authority for SMC³.

Emerson is a multinational conglomerate with over sixty divisions and over fourteen billion dollars in annual sales revenue. Emerson ranks as number 138 on the list of US Fortune 500 companies. Emerson is involved in transportation matters throughout the US and actively participates in transportation organizations including NITL (The National Industrial Transportation League). Emerson conducts LTL business with carriers nationwide using CzarLite as our base rate for carrier negotiations.

I understand that SMC³ is currently restricted in their ratemaking activities and have applied to the STB for nationwide authority. Emerson supports this initiative as beneficial to both Emerson and the LTL carries that support us.

Emerson has used CzarLite and other SMC³ technology products for over eight years. During that period of time, we have been very satisfied with the products and services provided by SMC³. We are confident that these products and services would be enhanced if SMC³'s ratemaking authority were expanded to nationwide.

Sincerely,



Robert Palmer



April 05, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Re: Southern Motor Carriers Rate Conference, Inc.
Section 5a Application No. 46 (Sub-No. 20)

Dear Chairman Nober:

Hewlett Packard (HP) supports SMC³'s request that it be granted the authority to collectively establish class rates for its member motor carriers.

HP is a technology solutions provider to consumers, businesses and institutions globally. The company's offerings span information technology infrastructure, personal computing, and access devices, global services, and imaging and printing for consumers, enterprises and small and medium businesses.

HP ranks 11th overall among the Fortune 500 companies and is ranked second in its industry, which Forbes defines as computers and office equipment. It is an international company with over 140,000 employees situated in 178 countries. Its worldwide sales in 2003 were \$73,061,000,000.

HP is a member of the National Industrial Transportation League and is an associate member in SMC³. It has used CzarLite International Canada as a base rate since January 1998, and has been a licensed CzarLite user for its domestic traffic since 2001.

The company makes extensive use of motor carrier services, including SMC³ carriers, in marketing its products throughout the United States. Restricting the ability of SMC³'s member motor carriers to establish a collectively-made baseline of rates to only a portion of their operations does not appear reasonable or competitively justified. SMC³ should be permitted to use its rate expertise to establish a pricing mechanism coextensive with the transportation services provided by its member motor carriers.

Sincerely,

Blaine Eisenbeis
Manager,
WW Surface Freight Procurement



April 6, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Re: Southern Motor Carriers Rate Conference, Inc.
Section 5a Application No. 46 (Sub-No. 20)

Dear Chairman Nober:

Kuehne & Nagel Logistics, Inc. is a logistics provider engaged in supply chain management services. Kuehne & Nagel Logistics operates primarily within the North American contract logistics market. This business complements Kuehne & Nagel's global logistics presence.

Worldwide, Kuehne & Nagel has 17,500 employees, and operates more than 600 locations in 96 countries. In 2003, its worldwide sales totaled 8.8 billion Swiss francs.

Kuehne & Nagel Logistics, Inc. is an associate member of Southern Motor Carriers and has licensed CZAR-Lite since 2001 for its logistics activities. The company fully supports Southern Motor Carriers' effort to obtain nationwide collective ratemaking authority for its member motor carriers, many of which are relied upon in the company's logistics operations. Kuehne & Nagel Logistics, Inc. requests that the Surface Transportation Board grant Southern Motor Carriers' application so that it can establish rates covering the full extent of its member motor carrier transportation operations.

Sincerely,

Bob Fazo
Vice President of Operations – Order Management and Delivery Solutions
Kuehne & Nagel Logistics, Inc.



April 7, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Re: Southern Motor Carriers Rate Conference, Inc.
Section 5a Application No. 46 (Sub-No. 20)

Dear Chairman Nober:

Gambro, Inc. is a leading technology and healthcare company. Gambro Healthcare, Gambro Renal Products and Gambro BCT comprise its three business areas. Gambro Healthcare is a leading provider of kidney dialysis services, and accounts for 60 percent of Gambro's total revenues. Gambro Renal Products develops, manufactures and supplies hemodialysis, peritoneal dialysis and acute dialysis equipment. Gambro BCT provides technology, products and systems to blood centers and hospital blood banks. Worldwide Gambro has over 21,000 employees located in 40 countries. Its 2002 revenue was approximately \$2.7 billion.

Gambro is a member of the National Industrial Transportation League, NASSTRAC, and is an associate member of SMC. The company is a licensed CZAR-Lite user since 1992.

Gambro understands that by its pending application before the Surface Transportation Board, SMC is requesting nationwide authority so that its member motor carriers can establish a baseline of class rates throughout the United States. At this time, the carriers' collective ratemaking activities are confined to the Southern Territory region. Gambro supports that application.

Gambro uses the transportation services of a number of SMC member motor carriers throughout the United States. SMC is well known for its technical and motor carrier costing expertise. Gambro believes that it would be beneficial to our company to have SMC establish a baseline of class rates for pricing purposes related to the actual extent of the transportation services provided by the member motor carriers and utilized by Gambro.

Sincerely,

Daria Shaffer
Global Transportation Analyst

TRINITY
TRANSPORT, INC.

April 9, 2004

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Re: Southern Motor Carriers Rate Conference, Inc.
Section 5a Application No. 46 (Sub-No. 20)

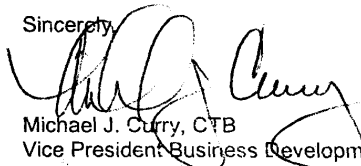
Dear Chairman Nober:

Trinity Transport, Inc., a family-owned, transportation intermediary business, was established in 1979. Based on annual volume Trinity ranks in the top five percent of transportation intermediaries nationwide. In meeting our customers shipping needs we maintain over forty offices in the United States. These are located in 26 states, including Alabama, Arizona, California, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kentucky, Minnesota, Missouri, Montana, New York, Nevada, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Utah, Washington and Wisconsin. The company also has an office in Owen Sound, Ontario, Canada.

Trinity Transport, Inc. is a member of the National Industrial Transportation League, the Transportation Intermediaries Association, and the Council of Logistics Management. and is an associate member of Southern Motor Carriers.

The company has been a licensed CZAR-Lite user since January 2004. That pricing mechanism greatly simplifies the rate negotiation and motor carrier bid evaluation processes. Trinity Transport believes that Southern Motor Carriers' demonstrated rate expertise would be of considerable value in establishing a competitive nationwide baseline of class rates tailored to its member motor carriers' pricing needs. The transportation services of a number of Southern Motor Carriers' less-than-truckload motor carriers are used in transporting our customers' freight. Trinity Transport supports Southern Motor Carriers' application for nationwide collective ratemaking authority so that their carriers can have a pricing mechanism covering the entire scope of their transportation operations.

Sincerely,


Michael J. Curry, CTB
Vice President Business Development



■ 18119 Sussex Highway ■ P.O. Box 220 ■ Bridgeville, DE 19933
■ Phone: (302) 253-3900 ■ Fax: (302) 337-3919 ■ www.trinitytransport.com

VIII.
Conclusion

VIII.
Conclusion

Section 13703 of 49 U.S.C. permits motor carriers to enter into agreements, approved by the STB, to collectively establish rates. Nowhere in that statutory provision is the territorial scope of that authorization restricted. In fact, throughout the history of the authorization of such agreements, the ratemaking territories granted have been coextensive with the transportation operations conducted by the motor carrier members of the ratemaking organizations. The restricted regional territories within which the less-than-truckload ratemaking associations must conduct their activities reflect the regional scope of the operations conducted by those carriers some 50 years ago.

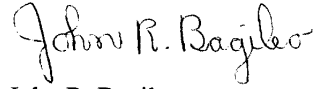
Since 1980, and thereafter, diminished entry regulation and competitive considerations have caused less-than-truckload motor carriers, large and small, to provide nationwide transportation services. As the record evidences, SMC's motor carrier members are located within and without the so-called Southern Territory in which SMC can collectively establish class rates, and virtually all conduct nationwide transportation operations. To meet their pricing needs, SMC must have its ratemaking authority expanded commensurate with their transportation operations.

A number of motor carrier associations have received nationwide ratemaking authority because of the scope of their members' operations required that capability. Even though each of those specialized bureaus is the only one in their field, no one can point to the "super bureau" negative effects hypothesized in this proceeding. In fact, SMC is only one of six motor carrier associations having a membership consisting of less-than-truckload motor carriers, four of which also have pending applications for nationwide collective ratemaking authority. Therefore, unlike the specialized carrier associations, there would be a number of competitive motor carrier associations offering the ability to establish class rates which cover the full extent of their operations. Such competition among motor carrier ratemaking associations is healthy, and is in keeping with the objectives of the National Transportation Policy which contemplates increased and enhanced competition in motor carrier pricing and services.

Finally, there is, and long has been considerable overlapping in the ratemaking territories served by the various motor carrier ratemaking associations. That overlapping occurred because of the transportation operations of the member motor carriers. SMC's entrance into those other territories, just as any other organization seeking authority to serve the Southern Territory, reasonably and fairly would enable the applicants to better serve the pricing needs of the involved motor carriers and their shipper customers.

For all the foregoing reasons, it is requested that SMC's application seeking the expansion of its collective ratemaking activities throughout the United States be granted.

Respectfully submitted,

A handwritten signature in cursive script that reads "John R. Bagileo".

John R. Bagileo
Law Office of John R. Bagileo
1101 30th Street, NW #300
Washington, DC 20007
(202) 944-3734
(202) 944-8611 (Fax)

Counsel for Southern Motor Carriers
Rate Conference, Inc.

Due: April 22, 2004
Dated: April 21, 2004

IX.
Certificate of Service

IX.
Certificate of Service

I hereby certify that I have this 21st day of April 2004, served a true and complete copy of the foregoing Initial Statement by first class mail, with postage prepaid, upon the following:

John M. Cutler, Jr.
McCarthy, Sweeney & Harkaway, P.C.
2175 K Street, NW, Suite 600
Washington, DC 20037

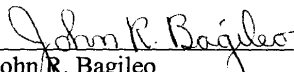
Nicholas J. DiMichael
Karyn A. Booth
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1920 N Street, NW
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Rosalind A. Knapp
Acting General Counsel
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Huntington, NY 11743



John R. Bagileo