

*Any Questions or Comments,
please feel free to contact:*

For Intermodal:

Jon Krystek

Ph: 724-449-3300 ext. 234

Fx: 724-449-3310

Email - jkrystek@knichellogistics.com

For Over the Road:

Terry Rosky

Ph: 724-449-3300 ext. 247

Fx: 724-449-3306

Email - trosky@knichellogistics.com

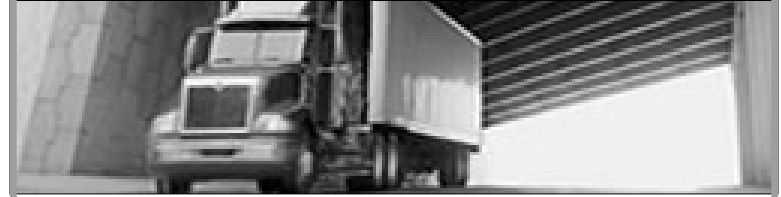


Visit us on the web at:
www.knichellogistics.com



5347 William Flynn Hwy
2nd Floor
Gibsonia, PA 15044

PHONE (724) 449-3300
FAX (724) 449-3310



**Blocking, Bracing and
Freight Claims Management:**

*Your Guide for a
Successful Transportation
Experience*

2008

Reporting or Filing Freight Claims:

Intermodal:

Jon Krystek
Vice President of Operations
Ph: 724-449-3300 ext. 234
Fx: 724-449-3310
Email—jkrystek@knichellogistics.com

Over the Road:

Terry Rosky
Director of OTR
Ph: 724-449-3300 ext. 247
Fx: 724-449-3306
Email—trosky@knichellogistics.com

On the Web:
<http://www.knichellogistics.com>

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The information contained within this booklet is to help clarify issues and guide you in the event of a claim, so that you will have the necessary information at your fingertips. By reading this booklet, you will better understand how crucial proper blocking & bracing is, as well as the importance of quickly responding to damaged freight and protecting your investment.

At KnicheL Logistics, we follow the transportation and insurance industry guidelines when issues of blocking & bracing and freight claims are at hand. In a perfect world, your product would arrive exactly how it was made and loaded. Unfortunately we do not live in a perfect world and this is where a booklet full of valuable information will keep you up to speed to help improve your transportation experience.

So please take the time to look through the pages of this informative guide to achieve a better understanding of what steps you may need to take in the event of a claim. The key to faultless transportation is knowledge. The better you are informed, the more satisfying your transportation experience will be.

Shipments that do not have benefit of notification and request for inspection will be declined. Most carriers do not actually inspect loads, but we must give them the opportunity while the unit is still being unloaded to inspect.

It is important to document any kind of evidence (e.g. pictures, reports etc.). Providing such evidence of how the load was protected for movement will help in regards to filing a claim. Loads received that are short do not have to be inspected, but need to be reported to KnicheL Logistics immediately.

Information Needed for Filing a Claim:

- Pictures of the damaged product
- Copy of shippers invoice for the whole load
- Copy of Bill of Lading
- Copy of signed "Proof of Delivery" (POD) showing consignee's acknowledgement of damage/loss
- Claim form filled out by customer showing amount and value of product being claimed
- If product is being salvaged, a receipt with product and price is required
- To expedite a claim, it is necessary to notify KnicheL Logistics immediately upon delivery, so that KnicheL Logistics can inform the railroad. Once this is complete, there are 270 days to file the claim with the railroads.

"Failure to supply these documents could result in your freight claim being declined."

Freight Claim Policies:

As a third party transportation provider, Knichel Logistics is fully committed to resolving freight claims fairly and efficiently. For freight claim purposes, we act as the intermediary between the underlying carrier and our customer. Our policy is to follow the underlying carriers' freight claim rules and practices. However, we as your transportation provider, are committed to thoroughly investigate all issues. If a freight claim should be declined, we will work very closely with both you and the carrier to ensure the satisfaction of all parties.

All claims must be submitted within nine months of date of shipment. Freight claims under \$250 will not be considered. However, you still need to call in and report the damage.

It will be the consignee's obligation to mitigate any losses at destination. Therefore, the consignee should accept damaged freight, and if the product cannot be salvaged, the product should be made available to the carrier for salvage.

Notification of loss or damage must be made in a timely manner. On rail shipments, it is imperative that the railroad has the opportunity to inspect the damaged loads. Failure to do so will result in the claim being declined.

Please be aware that Knichel Logistics does not process boxcar claims.

Ways to Protect Your Investment:

Customers are responsible for ensuring all loads are properly secured for the transportation of product. If shipments are traveling via rail, they must be prepared for shipment according to the AAR Intermodal loading guide, or as approved by individual railroads.

Shippers are responsible for inspecting equipment, prior to loading to ensure it is suitable to protect and preserve the product during transit. If an investigation reveals that defects could have been discovered prior to loading, any claim for loss or damage will be denied. As the shipper, if you identify unsuitable equipment, you will not incur any additional charges for rejecting containers.

Loads that shift in transit because they were not properly prepared for shipment, including blocking & bracing, air bags, shrink wrap, etc., will be adjusted at the customer's expense. An important step to protect yourself is to take a picture of the load from the rear of the container once the product is finished being loaded and secured. If you have any questions or would like a rail representative to come out to your facility to go over proper blocking & bracing procedures or loading information, please contact Kristy Knichel at 724-449-3300 ext. 222.

Inspection and Selection of Equipment:

The equipment supplier has a responsibility to furnish trailers or containers which are

clean, have sound roofs, sides, end walls, smooth floors, and snug fitting doors. Any exception is cause for rejection. The shipper also has a responsibility to inspect the trailer to see that it is suitable to carry lading safely to destination.

If the trailer furnished is not suitable for loading but the shipper elects to load it, then the shipper is responsible to properly prepare the trailer prior to loading (e.g., cover holes in walls).

Load Planning:

When planning your shipment, you can refer to these five loading steps to ensure and minimize a claim.

1. Plan your load to prevent damage to lading and equipment. Lading that is already damaged is not to be loaded.
2. Plan your load so that crosswise void space is minimized. Use appropriate bracing or filler material to maintain vertical alignment and prevent crosswise movement.
3. Secure incomplete layers of lading to prevent movement.
4. Fill lengthwise space with lading, approved filler material, or appropriate blocking and bracing. Do not use void filler material or pallets as a bulkhead.
5. Weight must be evenly distributed side-to-side and end-to-end.

Additional Procedures to Follow:

- Do not unload if you see damage right away or if you are in the process of unloading - STOP when you come across damage.
 - Failure to notify Knichel Logistics of a potential claim upon unloading of shipment may lead to denial of the claim.
- Take pictures of damage/loss and cause of damage/loss. (ex. Hole in roof)
- Take pictures of all blocking & bracing, air-bags, cardboard filler, shrink wrap, etc. (Need to prove proper shipping procedures were used)
- When needed, consignee may be required to hold product at facility until a rail inspector arrives. This may be two or more days.
- An inspection may be performed or may not be. If you have damaged product, the customer is responsible for mitigating any losses. If the customer refuses to do this, the railroad will deduct approximately 1/3 of the product value from the claim amount.
- Notate on the delivery receipt the amount and type of damage.

“Minimum claim amount is \$250 per shipment on product value”

What Are the Signs of a Potential Freight Claim?

- Shortage of product
- Missing seal
- Load shift (due to improper blocking & bracing)
- Container involved in derailment
- Container possibly involved in rough handling
- Stolen container
- Wet damage
- Possible contamination

Initial Information Needed When Reporting a Claim:

Inform Us of the Following as Soon as Possible:

- Container number
- Seal number
- What kind of damage is there? (Examples above)
- Where is the damage located?
- What is the PO# for damaged or short product and how much?
- Was the load blocked & braced, and if so, how?
- Did you take pictures?
- Is the container still there?

Maximum Weights & Distribution:

Please refer to the following guidelines regarding regulations stipulated by Federal, State, Provincial, and local regulations.

1. The load weight **MUST NOT** exceed the limit as stated on the manufacture's plate. Combined weight of container and lading may not exceed specified weights below for the length

Length	Maximum Gross Weight
53'	67,200 lbs. Container, Chassis, Product
48'	67,200 lbs. Container, Chassis, Product
45'	67,200 lbs. Container, Chassis, Product
40'	67,200 lbs. Container, Chassis, Product
20'	52,900 lbs. Container, Chassis, Product

2. Lading weight in trailers must be evenly distributed crosswise and lengthwise with no more than 25,000 lbs. per 10 linear feet.
3. Weight of lading and trailer must conform to all federal, state, provincial, and local regulations for origin and destination.
4. We recommend that if you have any questions please contact our office immediately at 724-449-3300 ext. 229.

Securing your Product:

1. Secure lading to prevent lengthwise and lateral movement.
2. Fill voids, apply blocking and bracing to maintain proper lengthwise and crosswise weight distribution during transit; and to prevent lading from damaging doors, nose, walls or from falling out when doors are opened.
3. Use lumber which is of sound material and free of defects which impair its strength or interferes with proper nailing.
4. When blocking and bracing, be sure to use adequate size and number of nails in the construction of retaining your product.
5. Strapping used for retaining the load must be of sufficient strength, amount, and be properly applied so as to secure the load from crosswise or lengthwise movement.

Unitization:

On wooden pallets:

1. Provide palletized units with unit-to-unit contact with no overhang of product.
2. Fill any lengthwise under-hang on pallets.
3. Make height and width dimensions of the faces of the filler material as near as possible the same as the dimensions of the faces of the units they will be separating.

Freight Claims

Overview:

By following these guidelines in blocking and bracing, the product should remain secure within the container. By blocking and bracing your product, you are creating a safety net for your business. As a reminder, a claim will be denied without proper blocking and bracing.

On Slip Sheets:

1. Provide units with unit-to-unit contact lengthwise in trailer. Fill any lengthwise void to provide a solid face for applying a means of security.
2. Minimize crosswise void and maintain vertical alignment.

Incomplete Layers:

1. Avoid incomplete layers whenever possible. When incomplete layers have to be loaded, use full face and height bulkhead for light weight commodities. For heavier commodities unitize the rear portion of the incomplete layer to the bottom layer. Unitize with appropriate bulkheads and protection between straps and the lading.
2. Separate different type packaging lengthwise by use of plywood or fiberboard sheets of sufficient height to protect the tallest stack of product.
3. Use fillers to take up cross wide space in trailer to prevent movement in the load.
4. Use separators when commodities are loaded in more than one layer. Use separator material to provide an even base for the upper layer. Generally 1/2" plywood sheets or other suitable material may be used. Use fiberboard protection between separator material if units consist of bags or bales.

Wood:

1. Use properly seasoned lumber.
2. Do not use rotted or decayed lumber. Do not use lumber with knots or knotholes. Check for splits that will affect holding strength or interfere with nailing.
3. Select the appropriate size of lumber for the weight, size, and nature of the commodity to be secured.

Nails and Nailing:

1. Do not nail into the walls of trailer. Toe nailing is not permitted
2. Drive nails into side grain of lumber. Drive all nails straight at 90 degree angle to floor.
3. Stagger nails to prevent wood from splitting. Position nails 5 inches apart.
4. Use nails of such length to develop the necessary holding power through penetration into trailer floor and other blocking and bracing members.

Disposable Inflatable Dunnage:

1. Width of bag should fit height of load. Length of bag should cover two units of lading.
2. Approved filler material must be used if crosswise void exceeds 12" after inflating bag.
3. Use buffer material between bag and lading to distribute outward pressure evenly against lading.
4. Position D.I.D. bag 1" off the trailer floor and pallet to prevent chaffing.
5. Inflate bags to 2.0-2.5 psi. Check pressure with an air gauge.

Rear Doors:

Trailer/Container doors may not be used to secure loads.

1. Secure lading to prevent lengthwise movement. Doors may not be used for securement if lading is rigid, very dense, or shaped such that the area of door contact is minimal.
2. Under certain conditions as outlined below, doors can be relied on to secure non-hazardous materials lading: Doors of vehicles meeting AAR m931 and m930 specifications can be used to restrain lading under the following conditions:

a.) The load consists of multi-unit lading such as boxes of food-stuff, tissue or soft paper products, furniture, appliances, etc., not exceeding 40,000 lbs. Covering a minimum of 60% of the door area and evenly distributed throughout the vehicle.

b.) Lading must be loaded tight, length wise and crosswise, flush to the rear doors of the vehicle, allowing no room for movement. If any void exists, fill space with approved dunnage.

c.) The doors must fit squarely, the hinges must be tight, and locking bars must be in good condition while functioning properly.