

TOP CHOICE

Our 9th Annual Shipper's Choice Awards Survey sets industry benchmarks for performance excellence and identifies the 42 carriers that surpass them

We have been conducting our annual Shipper's Choice Awards Survey for one year short of a decade yet this may have been the hardest year to date for scoring the performance of the many carriers serving Canadian shippers.

The worst recession of the post war era left both shippers and carriers scrambling to survive but moving in different directions in doing so. For shippers, the focus was on cutting costs and taking advantage of the downward pressure on rates offered by the significant capacity overhang among most modes. For carriers the focus was on shedding equipment to balance capacity with the new and much lower demand for their services and to maintain some sort of price stability. The abandonment of long-term relationships in favor of price shopping was a frequent complaint among carriers last year. But it could be argued that for both shippers and carriers the focus was taken off customer service in the scramble to survive.

We also added to the difficulty of the survey this time by introducing one more key performance indicator for shippers to consider in rating their core transportation providers: the sustainability of their transportation practices. We did so after hearing conflicting comments in the market place for a few years now. Carriers were complaining that they were investing in green practices but shippers were not generally interested. Shippers were saying they were interested in green practices and were increasingly making them part of their selection process. By adding sustainable transportation as a KPI in our survey we will be able to document its true importance over time and in comparison to other KPIs in determining carrier selection.

Adding a KPI, of course, raised the total score a carrier had to achieve to reach our survey's Benchmark of Excellence. Needing to meet a higher benchmark during the most difficult year carriers have had to face in generations made cracking the list of Shipper's Choice Award winners the hardest it has ever been. How hard was it? For the first time, there were no winners at all in the rail category.

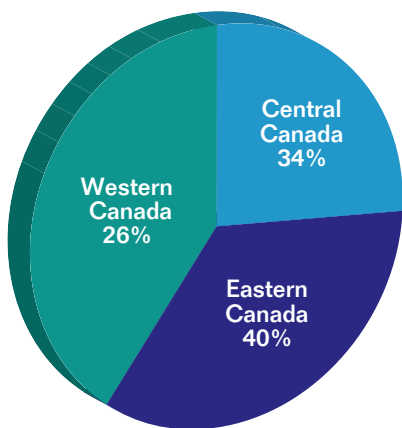
But despite all the challenges during the history of our survey there has been a core group of carriers across all modes who manage to successfully navigate that quality service at a competitive price tightrope, during good times and bad.

It is these carriers – 42 in all this year -- whom shippers have deemed worthy of surpassing the Benchmark of Excellence in our 9th Shipper's Choice Awards Survey, although as with past years some familiar names fell short of the mark while new ones make their first appearance. The research is our annual attempt to provide buyers of transportation services with consistent, national and scientifically derived benchmarks of excellence for carrier performance in each mode. Several more carriers were awarded honorable mention for coming within less than half a point of the benchmark of excellence.

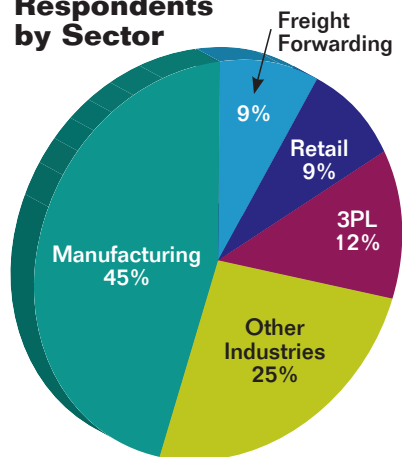
Particularly impressive are the carriers who have scored above the benchmark of excellence for five years in a row to be awarded our special "Carrier of Choice" designation. To see these winners, turn to the final page of this report.

Our survey provides shippers, 3PL service providers and freight forwarders across Canada with the opportunity to set benchmarks for carrier performance on eight key performance indicators (KPIs) and to rate their top carriers against those benchmarks. Aside from identifying the best carriers across all modes through this process, survey respondents also provide clear indications of the different values Canadian buyers of transportation services place on each key performance indicator (KPI) based on mode as well as a comparison of how high these standards are set for each mode. (For example, transportation buyers set their highest

Geographic Distribution of Respondents



Respondents by Sector



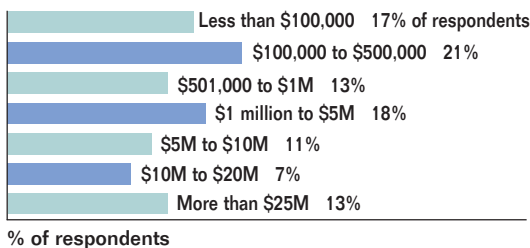
IMPORTANCE OF PERFORMANCE CRITERIA

Mode	On-time performance	Equipment and operations	Information technology	Competitive pricing	Customer service	Problem solving	Value-added services	Sustainable practices
LTL Trucking	4.717	4.211	3.957	4.643	4.646	4.291	3.415	4.064
TL Trucking	4.846	4.459	4.057	4.709	4.585	4.278	3.701	4.192
Ocean Carriers	4.519	4.330	4.262	4.732	4.572	4.349	3.804	4.155
Couriers	4.846	4.309	4.534	4.688	4.627	4.318	3.684	4.127
Air Carriers	4.856	4.405	4.463	4.569	4.611	4.367	3.804	4.194
Rail Carriers	4.514	4.264	4.156	4.644	4.503	4.211	3.583	4.094

Shipper's Choice Award

2010

Annual Supply Chain Budget



standard on information technology for couriers while expecting ocean carriers to live up to the highest standard for competitive pricing – see table on the previous page.)

The importance survey participants place on the KPIs for each mode (based on a five-point scale) is used as a weight in calculating carrier evaluations. Survey participants then rate up to three of their main carriers in each mode (again on a five-point scale.) The final weighted score for each carrier is derived by multiplying the carrier's average performance score by the average importance rating for each key performance indicator for that mode.

Because survey participants are first asked to rate the importance they place on each of the eight KPIs when making their carrier selections, and that data is used as a weight on their carrier evaluations, we feel that the benchmarks set are truly standards of excellence. In other words, carrier performance is judged against an ideal of what shippers expect and the areas given the most weight are the ones that matter most to buyers of transportation services. As a result, of the hundreds of carriers rated in our survey, only a very few are deemed by participants' evaluations as providing a service so superior that it warrants a Shipper's Choice Award.

Carriers receive the Shipper's Choice Award when their total score meets or surpasses the total benchmark of excellence for their mode. Only those carriers who exceed this benchmark have their names and scores included in the following tables.

Average shipper satisfaction ratings for each KPI are shown in the table below by mode. The final column on the right shows the total benchmark of excellence set for each mode. The benchmarks for each of the eight KPIs per mode are indicated with each modal table on the following pages.

Invitations were sent to more than 6,000 of our readers who are buyers of transportation services in the manufacturing, retail and other sectors as well as to individuals responsible for managing shipments within the freight forwarding and 3PL sectors.

Carriers must receive a minimum number of evaluations in order to qualify for the award. It should be noted that this year winning was made all the more difficult because we once again raised the number of evaluations necessary to qualify for the award for almost every mode. In order to boost response, carriers were given the opportunity to forward the survey to their own customer lists. Not all carriers chose to do so, however. To prevent tampering, we check for multiple cases submitted by known respondents. If there is more than one case, then only the newest one is considered. Likewise, we check for similar IP addresses. As a final check on tampering, we separate and check the evaluations submitted by participants from our own e-mail list versus the e-mail lists of carrier customers. Winners must have evaluations submitted by transportation buyers from our own e-mail list to qualify for the award.

SHIPPER SATISFACTION RATINGS BY MODE

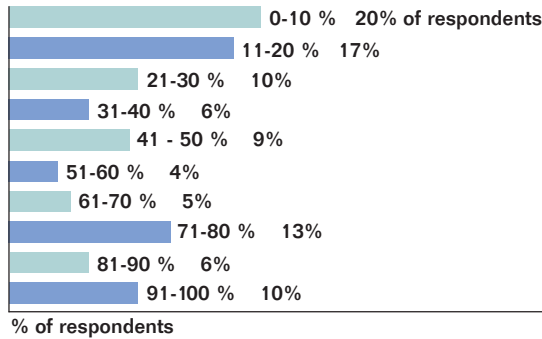
Mode	On-time performance	Equipment and operations	Information technology	Competitive pricing	Customer service	Problem solving	Value-added services	Sustainable practices	Total satisfaction Score
LTL Trucking	20.010	17.366	15.274	19.180	19.378	16.640	13.124	16.126	137.099
TL Trucking	21.288	19.111	15.713	19.881	19.688	17.360	14.282	17.087	144.411
Ocean Carriers	18.695	17.770	16.924	19.155	18.658	16.683	13.869	15.855	137.611
Couriers	20.411	17.848	18.530	18.635	17.763	15.558	13.159	15.926	137.831
Air Carriers	20.735	18.809	17.834	18.546	18.767	16.839	13.767	16.583	141.880
Rail	15.614	15.849	15.336	16.760	14.513	12.751	11.326	14.996	117.145

Canadian
Transportation
& Logistics

Shipper's Choice Award

2010

% Spent on Transportation



More than 1,800 buyers of transportation services participated in our survey, which makes Shipper's Choice the largest of the several surveys we conduct annually. We thank all those of you who took the time to complete our survey. (Participants receive an advance electronic copy of the results.) About 9,000 evaluations of carriers from all modes providing services in the Canadian market were cast.

As with past years, survey participants represent every region across Canada and buy transportation services for companies with annual sales ranging from less than \$5 million up to more than \$2 billion. Their annual supply chain budgets range from less than \$100,000 up to more than \$25 million. More than a third spend over 70% of their supply chain budgets on transportation.

The Shipper's Choice Awards Survey was undertaken once again in partnership with CITT and the Canadian Industrial Transportation Association (CITA), two associations whose members responsible for the purchase of transportation number in the thousands. And, as in previous years, the research was conducted by independent research firm G. Bramm & Associates (the same research firm that conducts our industry-leading Annual Survey of the Logistics Professional).

Winning carriers are listed alphabetically, and not by their total score. Those wanting to compare the scores among the winners should keep in mind the high probability that these carriers, although they are being compared to an industry benchmark, have been evaluated by different shippers. This survey is intended as a measure of which carriers exceed industry expectations and not a ranking of the carriers involved.

TOUGH HAUL

Cracking the Shipper's Choice club has always been a tough task for the nation's motor carriers and it got no easier with the economic downturn. Consider that while on-time performance remained a top priority for purchasers of LTL transportation, customer service and competitive pricing were next and were considered to be of almost equal worth. And customer service expectations, a tougher task to pull off when a fleet is trying to shrink its capacity and workforce, were the highest for LTL carriers than for any other mode.

LTL MOTOR CARRIER AWARD WINNERS

Total no. of shippers evaluating carriers this mode: 1842 Total carrier evaluations: 3065 Benchmark of excellence: 137.099

Carriers	On-time performance	Equipment and operations	Information technology	Competitive pricing	Customer service	Problem solving	Value-added services	Sustainable practices
ABF Freight Systems	20.005	18.149	17.466	19.050	18.905	16.572	12.574	16.971
Armbro Transport	21.698	18.617	16.050	20.429	21.372	18.632	13.961	18.036
Big Freight	20.179	18.246	16.489	19.087	20.131	17.919	13.059	17.821
Bourret Transportation	20.047	17.897	16.323	19.152	18.877	16.628	13.902	17.418
Conway	20.295	17.821	17.383	20.062	19.662	17.722	13.233	16.642
Hercules Transport	21.326	17.724	16.706	20.740	21.929	18.511	14.555	17.057
McArthur Express	20.835	19.653	17.375	19.733	19.550	18.468	15.125	10.160
Meyers Transport	21.283	19.973	15.828	19.891	20.535	17.851	14.179	16.654
MSM Transportation	21.943	18.794	16.952	20.058	22.031	19.237	14.893	18.186
Polaris	22.189	18.789	16.999	20.462	20.131	17.640	13.660	17.069
Robert Transport	19.439	17.749	16.323	17.797	19.007	16.834	14.271	17.532
Rosedale Transport	21.227	18.688	16.572	20.313	20.442	16.877	10.976	18.288
Benchmark of Excellence	20.010	17.366	15.274	19.180	19.378	16.640	13.124	16.126

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Shipper's Choice Award

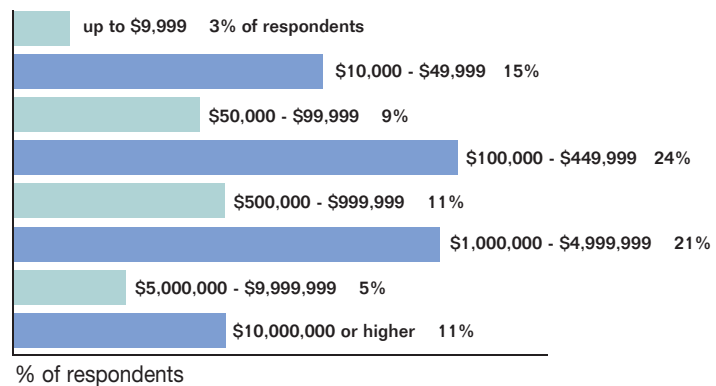
2010

But if you think that's tough, try pleasing shippers with your TL services. Transportation buyer expectations for on-time delivery were highest for TL carriers than for any other mode. The same goes for their expectations of TL equipment and operations, while their expectations for how competitive TL pricing should be ranked only second to those for ocean carriers. Not only are the expectations of buyers of TL services high, the select group of motor carriers that do meet our Benchmark of Excellence set a high standard. The total score needed to be counted among the nation's best service providers is highest for TL. Further, TL carrier scores are highest in almost every category: competitive pricing, customer service, on-time performance, quality of equipment and operations, problem solving and value added services.

The TL winners and their scores for each of our eight KPIs are shown in the table below and on the previous page for LTL. The bottom row of the table shows this mode's Benchmark of Excellence for each KPI. The total Benchmark of Excellence is indicated on the top right.

The winners for both LTL and TL are shown in alphabetical order and only those scoring above the total Benchmark of Excellence are included.

Annual expenditures on truck transportation



TL MOTOR CARRIER AWARD WINNERS

Total no. of shippers evaluating carriers this mode: 1377 Total carrier evaluations: 2076 Benchmark of excellence: 144.411

Carriers	On-time performance	Equipment and operations	Information technology	Competitive pricing	Customer service	Problem solving	Value-added services	Sustainable practices
Armour Transport	21.288	18.790	16.828	18.836	19.812	17.878	15.489	17.292
Big Freight Systems	21.875	20.511	17.271	20.451	20.697	18.246	14.804	19.283
Challenger Motor Freight	21.473	20.181	17.461	18.996	20.513	17.668	14.630	17.967
Hercules	22.844	19.749	17.774	21.751	21.673	20.038	16.110	19.099
Highland Transport	20.925	19.660	16.597	20.979	18.964	18.280	14.519	18.164
International Truckload Service	22.078	20.315	15.550	20.927	19.615	16.637	14.393	18.340
Kriska Transportation	21.456	20.774	17.514	21.247	21.320	19.037	15.437	18.265
MacKinnon Transport	22.907	20.266	16.423	19.265	21.884	19.058	16.036	17.468
Manitoulin Transport	21.148	19.593	16.719	18.977	19.450	17.942	15.489	19.212
McArthur Express	21.948	19.410	16.942	21.054	20.229	18.117	15.944	13.972
Meyers Transport	22.965	19.967	16.402	20.677	21.329	18.785	15.544	17.414
MSM Transportation	21.645	20.204	17.806	20.856	21.600	19.315	16.540	18.826
Robert Transport	21.158	19.686	17.684	18.262	20.128	17.424	16.403	17.854
XTL Transport	22.233	18.621	17.242	19.665	20.500	18.370	15.914	15.720
Yanke Transport	21.414	19.851	17.145	20.357	20.853	17.399	14.212	17.187
Quik X (HM)	22.413	19.789	16.228	18.836	18.996	17.382	14.275	16.169
Benchmark of Excellence	21.288	19.111	15.713	19.881	19.688	17.360	14.282	17.087

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Shipper's Choice Award

2010

CREST OF APPROVAL

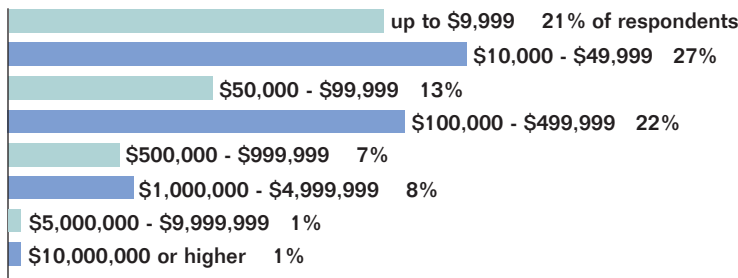
Buyers of marine services are particularly focused on competitive pricing. Not only is that the KPI they value most when selecting marine service providers, according to our survey, but the demands for competitive pricing are the highest for the marine sector among all modes. There are not many marine carriers who do meet our Benchmark of Excellence, but those who do set a high target, particularly with their scores in the competitive pricing and value-added services categories. Marine winners and their scores for each of our eight KPIs are shown in the table below. The bottom row of the table shows this mode's Benchmark of Excellence for each KPI. The total Benchmark of Excellence is indicated on the top right. The winners are shown in alphabetical order and only those scoring above the total Benchmark of excellence are included.

OCEAN CARRIER AWARD WINNERS

Total no. of shippers evaluating carriers in this mode: 582 Total carrier evaluations: 719 Benchmark of excellence: 137.611

Carriers	On-time performance	Equipment and operations	Information technology	Competitive pricing	Customer service	Problem solving	Value-added services	Sustainable practices
ECU-Line	19.120	17.987	18.033	20.750	21.452	18.401	15.977	15.789
K-Line	19.834	17.801	17.048	19.761	19.810	17.139	14.075	16.620
OOCL	19.689	18.186	18.233	18.313	19.618	17.722	13.074	14.356
Benchmark of Excellence	18.695	17.770	16.924	19.155	18.658	16.683	13.869	15.855

Annual expenditures on courier transportation



IN THE FAST LANE

On-time performance remains the top priority for buyers of courier services, but it's a sign of the times that competitive pricing ranks second on the list of priorities for the second consecutive year. At the same time, shipper expectations for courier information technology, which can add significant cost to a courier operation, are the highest across all modes. Courier winners and their scores for each of our eight KPIs are shown in the table below. The bottom row of the table shows this mode's Benchmark of Excellence for each KPI. The total Benchmark of Excellence is indicated on the top right. The winners are shown in alphabetical order and only those scoring above the total Benchmark of Excellence are included.

COURIER AWARD WINNERS

Total no. of shippers evaluating carriers in this mode: 1223 Total carrier evaluations: 2245 Benchmark of excellence: 137.831

Carriers	On-time performance	Equipment and operations	Information technology	Competitive pricing	Customer service	Problem solving	Value-added services	Sustainable practices
Andlauer Tsptn Services	21.424	18.167	18.852	17.763	19.970	17.160	14.290	14.445
DB Schenker (BAX Global)	20.353	18.055	18.653	19.272	18.975	16.672	13.918	16.508
Cardinal Courier	22.534	16.159	17.003	20.627	17.777	16.624	15.383	16.050
FedEx	21.710	18.787	19.700	18.208	18.675	16.465	13.561	16.487
Midland Courier	20.678	17.809	17.229	19.376	18.818	16.940	13.200	15.328
Sameday Worldwide	21.187	17.990	18.676	18.860	19.262	16.732	14.736	15.819
Tiger Courier	20.940	17.236	16.418	19.254	19.304	17.117	14.736	15.992
TNT Express	20.731	16.982	19.143	20.219	17.735	15.420	12.058	18.056
Purolator (HM)	20.392	18.098	18.549	18.100	17.513	15.355	12.993	15.885
Benchmark of Excellence	20.411	17.848	18.530	18.635	17.763	15.558	13.159	15.926

Shipper's
Choice
Award

2010

SOARING HIGH

It comes as no surprise that on-time performance remains top of mind for buyers of air freight services. Customer service is the KPI to which they pay the second-most amount of attention. The air freight sector has been hit hard during the recession and surpassing the Benchmark of Excellence is not getting any easier. This sector's benchmark is the second highest in our survey. Air carrier winners and their scores for each of our eight KPIs are shown in the table below. The bottom row of the table shows this mode's Benchmark of Excellence for each KPI. The total Benchmark of Excellence is indicated on the top right. The winners are shown in alphabetical order and only those scoring above the total Benchmark of Excellence are included.

AIR CARRIER AWARD WINNERS

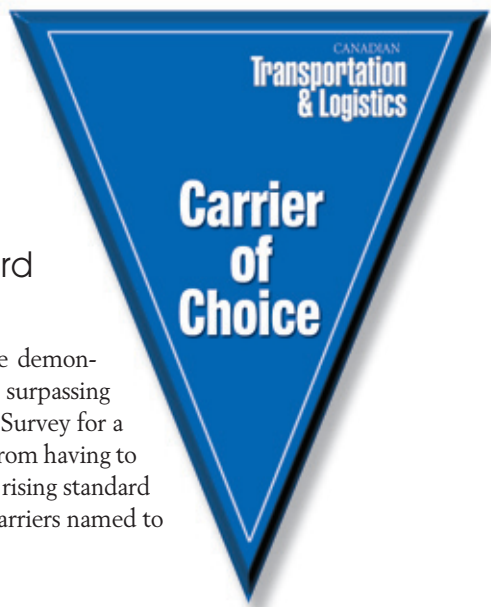
Total no. of shippers evaluating carriers in this mode: 442 Total carrier evaluations: 691 Benchmark of excellence: 141.880

Carriers	On-time performance	Equipment and operations	Information technology	Competitive pricing	Customer service	Problem solving	Value-added services	Sustainable practices
Cargojet Canada	23.294	20.734	17.544	19.825	21.492	19.424	15.878	18.638
Cathay Pacific	21.633	19.823	18.745	19.939	20.122	18.660	10.868	18.454
KLM Cargo	21.769	19.593	19.543	19.062	20.192	18.520	11.907	17.674
Lufthansa	22.124	20.069	21.324	20.816	22.031	18.922	10.651	14.679
Benchmark of Excellence	20.735	18.809	17.834	18.546	18.767	16.839	13.767	16.583

Introducing the Carriers of Choice

Consistency of performance deserves a special award

Carriers are presented with this particularly prestigious award if they have demonstrated the consistency necessary to attain the highest levels of service by surpassing the industry benchmarks of excellence set in the Shipper's Choice Awards Survey for a minimum of five consecutive years. This is a particularly difficult task because aside from having to maintain consistent excellence in their operations, carriers will have to meet a likely rising standard set by shippers from year to year while also responding to changing priorities. The carriers named to this elite club this year include:



This award will continue to be presented every year.

To remain part of this exclusive fraternity, carriers must requalify each year by having surpassed the Shipper's Choice Awards benchmark of excellence for five consecutive years.

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|-------------------------|----------------------------|
| Armbro Transport | FedEx |
| Armour Transport | K Line |
| BAX/Schenker | MacKinnon Transport |
| Cargojet | MSM Transportation |
| Con-way | Sameday Worldwide |