



National Standard Parts Associates

This is a letter from our President stating why NSPA no longer uses Saia Motor Freight Line (SAIA).

In the span of a little more than a month in early 2012, NSPA received two separate damaged shipments from SAIA with a combined value of over \$8,000. In the first (in late December 2011), the damage was evident and noted as it was unloaded from the truck (a poorly patched roof hole in the trailer appeared to be the culprit of the soaked pallet, so two photographs were taken by our receiving personnel for our records). Unfortunately, for the second shipment in question (in early February 2012) the damage was initially hidden and not evident to our staff as the pallet was unloaded; therefore, the damage was not noted on this shipment's bill of lading like the first. However, immediately after cutting away the pallet's shrink wrap it was evident we had another severe water problem on our shipment of packaging material. Our warehouse personnel immediately called SAIA and filed a second claim (the very same day it was delivered). At this point in the saga, both claims were initially denied by SAIA. The first claim was denied by SAIA's claim department because we scrapped the soaked material before they could inspect the damaged product. However, prior to this inspection request, NSPA received instruction from our local SAIA representative, Mike Murphy, that an inspection of the material was not needed when we pressed him to please have someone inspect and/or remove the damaged material quickly because we did not have an abundance of free space to store this damaged freight at our location. We were told that the most important element was that the damage was noted on our bill of lading during delivery. Based on this conversation with Mr. Murphy and our feeling that SAIA was not going to remove the damaged pallet soon and that there was no value to the shipment because the shipment was made for our exclusive use, NSPA went ahead and scrapped the soaked material. At the time, we felt comfortable with what Mr. Murphy required on our paperwork; specifically, that our SAIA driver did acknowledge the damage on the shipment's bill of lading at the time of delivery and ultimately, we took his word as SAIA's word and scrapped the material. On a subsequent phone conversation with Mr. Murphy, he indicated that he didn't think we would scrap the material even though he was not willing to remove the product for us at our request. The second claim was also denied by SAIA and this time the denial was delivered to us before they were even able to send their independent investigator to review the claim's damage. A day after receiving word from SAIA that our second claim was rejected as well; an inspector arrived at our facility to review the damage. She asked us some questions, took pictures of the soaked pallet and left. Ultimately, we received a follow-up call from SAIA that reiterated their initial rejection of our second claim and that although the pallet's contents were indeed soaked there was no evidence that SAIA was responsible for the water damage and because the damage was not noted when we took possession that the shipment was delivered "clear" in their eyes. Obviously, this did not sit well with us because we were on the hook for the \$5,311.51 worth of ruined product with our supplier.

After many escalation request calls to no avail, I finally wrote an email to SAIA's President and CEO, Rick O'Dell asking for his help. Initially, I was optimistic when I found out that he asked his Vice President of Revenue Management, Pat Coombs, to review our two claims. After his review, the first claim was approved and the second was denied. When I repeatedly requested via email to speak with Mr. Coombs about the second claim, I was rebuffed at every attempt and was told there was nothing left to discuss. Previously, I had presented numerous relevant but unanswered questions that only SAIA could answer and almost all of them were not addressed by SAIA. I ultimately realized that NSPA could not trust our freight business going forward with a company that was managed this way at both the customer level and at the executive level.

Inbound and outbound freight transportation is critical to NSPA's supply chain and thus a reliable freight carrier is paramount to the success for both our business and our customer's businesses. After a long relationship with SAIA, that had until February 2012 been a very good relationship, we have no choice but to insist that our suppliers use another freight carrier other than SAIA when NSPA is responsible for the freight. NSPA must be able to rely on our partners to be accountable and responsible for their actions, and when a problem arises, they must be willing to investigate to find the root cause of the problem and ultimately correct it for the future. In all fairness, NSPA does not know why the second shipment was mysteriously soaked underneath the pallet's shrink wrap, but we believe SAIA owes us answers to our questions about what, where, and how our shipment was handled in the five days they had possession.

J Brooks Endacott

President

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