A COMMENTARY:
THE PERFECT STORM: SCHRAMM DECISION, FMCSA, AND AN IMPOSIBLE DUTY FOR BROKERS AND THIRD PARTY LOGISTICS COMPANIES *

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ABSTRACT

Over the last thirty years, there never has been a more confused doctrine than the current "duty of reasonable care" faced by transportation brokers, third-party logistics companies and shippers as they select carriers for transport. The confusion in what was once reasonable and well understood law has been fueled by a perfect storm of judicial reasoning with misplaced reference to faulty empirical data, the complete failure of the Federal Motor Carrier Safety Administration (FMCSA) to properly assess carrier safety worthiness, a feeding frenzy by the plaintiffs' bar and apathy by many in the industry. The purpose of this commentary is to examine how this uncertainty developed, to identify some of the more glaring issues that must be addressed, and to give some possible guidance as to how the industry, FMCSA and courts should proceed to clarify the duty of a broker in complying with "reasonable care" in selecting carriers.

CROSS-CULTURAL VALIDATION OF THE FACTORIAL STRUCTURE OF A LOGISTICS STRATEGY MODEL: A THREE-COUNTRY STUDY

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ABSTRACT

In 2011, McGinnis, Kohn, and Kara reported the effects of overall logistics strategy (OLS) on logistics coordination effectiveness, customer service effectiveness, and organizational competitive responsiveness. This manuscript empirically compares the three dimensions of the Bowersox Daugherty typology to logistics strategies among U.S., Turkish, and Guatemalan companies. US, Turkish, and Guatemalan subjects (logistics managers) were chosen to test the underlying factor structure and measurement equivalences of the scales used. Using confirmatory factor analysis (CFA), findings indicate that the three dimensions of the Overall Logistics Strategy (OLS) - Process Strategy, Market Strategy, and Information Strategy - hold in all three country environments studied. However, structural equation modeling shows nonequivalent relationships between OLS and independent variables; logistics coordination effectiveness, customer service commitment, and organizational competitiveness for one of the three countries. We evaluate these findings in light of recent research into logistics strategy research on U.S. firms. Insights for those interested in comparative logistics strategies are provided.

LTL PRICING: LOOKING BACK TO THE FUTURE

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ABSTRACT

Numerous LTL carriers struggled during the recent recession as customers demanded lower prices. This study is designed to qualitatively evaluate the data gathered from three industry segments regarding LTL pricing. Researchers used semi-structured interviews to conduct an in-depth investigation with over two dozen industry experts who represented shippers, carriers, and 3PLs. Interview transcripts were analyzed using a grounded theory coding technique. Five major themes emerged from the interview transcripts. These themes are used to describe possible future adjustments to industry pricing structure.

CONCENTRATION IN THE AIRLINE INDUSTRY: EVIDENCE OF ECONOMIES OF SCALE?

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ABSTRACT

The early experience of the airline industry under deregulation was very much as expected, with increased competition and new entrants offering highly competitive rates. However, there are approximately 130 airlines operating today, and the industry remains more heavily concentrated than it was prior to deregulation. This study reports on concentration in the US airline industry between 1970 and 2009, as measured by the Herfindahl-Hirschman Index (HHI) and Concentration Ratio, together with changes in industry costs. The results show a trend of industry-wide reduced costs per available seat mile that is negatively correlated with the increased level of industry output over the last 30 years and increased concentration, which demonstrate the need for more research into the question of scale economies in air transportation.

COMPETITIVE ADVANTAGE AND FUEL EFFICIENCY IN AVIATION

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ABSTRACT

This paper builds upon a resource based view of competitive advantage under a dynamic capabilities construct. Fuel efficiency measurement in the aviation industry can be incorporated into dynamic capabilities such as strategic decision making and alliancing. These dynamic capabilities can drive operational cost reductions, which in-turn can enhance profitability and establish a competitive advantage. To further this advantage, fuel efficiency can be embedded inside an organizational culture. A fuel efficiency focused organizational culture can be a valuable, rare, inimitable and non-substitutable resource. This paper proposes a model to merge the dynamic capabilities of strategic decision making and alliancing with organizational culture under fuel efficiency. Under this model, a fuel efficiency index is introduced to drive behavior and provide accountability. Effective use of the index has profit potential.