

XLA ANNUAL MEETING FEATURES NEW FORMAT, GUEST SPEAKERS

You won't want to miss XLA's Annual Meeting, March 13, 2006, during AirCargo in Bal Harbour, FL. In addition to association business, the annual meeting will feature two informative programs about issues that affect the express delivery and logistics industry. Members and guests are invited to attend – March 13, 2006, from 10:30 am to noon, at the Sheraton Bal Harbour.

Security & Independent Contractor Issues

Irvin Varkonyi, President of SCOPE, LLP, will speak to members on "Threats and Opportunities in Security Compliance for Indirect Air Carriers." Mr. Varkonyi notes, "It has been barely two years since the Transportation Security Administration issued its Air Cargo Strategy in 2003, yet significant changes are taking place with an impact on Indirect Air Carriers that may be greater than on the carriers. Still, the industry should find opportunities for competitive differentiation based on your customers' demands along with demands from the Department of Homeland Security. Preparedness is not an accident."

In addition, Rick Chase, Vice President of California Overnight, will speak on "Independent Contractor Battles – The Good, the Bad and The Ugly!" He will report on recent progress achieved in states such as New York, Georgia, Connecticut and Florida regarding independent contractors (IC). Hear about the strategic efforts resulting from the IC Summit Meeting held in New York on November 10, 2005. The efforts planned by the IC coalition include a review of individual state laws and legislative systems in order to select specific state strategies involving legislative, administrative or legal solutions to IC issues.



Irvin Varkonyi



Rick Chase

Other Program Elements

In addition to the two guest speakers, you'll hear XLA President Keith Storey of Midnite Express outline XLA's efforts in 2005 and its plans for the coming year, and

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2005: THE YEAR IN REVIEW

What has XLA done for you lately? Savvy businesspersons and association members should be asking that question. The year 2005 was characterized by change and aggressive forward momentum to enhance communications and launch new membership services, as well as by major policy accomplishments on behalf of the industry.

Find out from XLA President Keith Storey of Midnite Express whether XLA delivered. He'll update members on the highlights of XLA's significant accomplishments in 2005 during the association's Annual Meeting on March 13, 2006.

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XLA Express is published six times annually as a service for members of the Express Delivery & Logistics Association (formerly, ACCA, the Air Courier Conference of America). Complimentary subscriptions are available to additional member company contacts. Subscription fees: Members - covered by membership dues; Nonmembers - \$22.

Founded in 1976, XLA is a nonprofit trade association whose members include large firms with global delivery networks and smaller businesses with strong regional delivery networks. Worldwide, XLA members have operations in over 200 countries; move more than 20 million packages each day; employ more than 800,000 people; operate 1,200 aircraft; and earn revenues of roughly \$50 billion annually.

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- **AirCargo 2006**
March 12-14, 2006
Sheraton Bal Harbour, Bal Harbour, FL
- **Annual XLA Annual Meeting**
March 13, 2006
Sheraton Bal Harbour, Bal Harbour, FL
- **XLA-Penske Truck Rental Program**
See flyer for member discount pricing.

Reach XLA members by advertising in XLA Express. Contact info@expressassociation.org for rates.



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Member Profile

Shipper Assessment, Inc.
A Company Profile from SAI

Brian Abbott is the President of Shipper Assessment Incorporation (SAI), a company specializing in Dangerous Goods (DG) training and civil penalty enforcement mitigation, as well as freight forwarders' trucking safety laws.



Brian Abbott is a former Federal Aviation Administration (FAA) and Federal Motor Carrier Safety Agency (FMCSA) Special Agent with over 20 years of experience. During his tenure with these federal agencies, Brian specialized in enforcing DG, cargo security, and trucking safety laws. Now, his company is dedicated to identifying problems and weak points in a shipper's or freight forwarder's DG shipping operations or safety program before the government does.

Since 9/11, enforcement of hazardous materials safety and motor carrier safety regulations by the FAA and the FMCSA has been at an unprecedented level. However, many shippers and freight forwarders are unaware of the simple steps they can take to reduce their potential liability and mitigate proposed civil penalties from a federal inspection, or from undeclared dangerous goods or hazardous material shipments discovered by the FAA or FMCSA. There are also specific actions a shipper or freight forwarder can take to ensure violations do not go on the company's record, which would increase future fines. Federal agency civil penalties (which include the Federal Motor Carrier Safety Administration, the Federal Aviation Administration and the Pipeline and Hazardous Materials Safety Administration) can really hurt. Seemingly simple shipments such as consumer commodities, paint, aerosols, and other everyday items can cause problems that result in \$50,000 fines, or more.

Please give Shipper Assessment, Inc., an opportunity to assist you with dangerous goods training, civil penalty mitigation, and compliance with the federal motor carrier safety regulations. Call us any time at 1-786-586-8921, or visit us at our web site, www.dginspections.com, for more information. The entire crew at Shipper Assessment, Inc. looks forward to being part of XLA, as well as offering your company discounted rates for our services.

Shipper Assessment, Inc. is a new Associate Member of XLA.

Association News

NEW XLA OFFICERS, BOARD MEMBERS UP FOR ELECTION AT AIRCARGO 2006

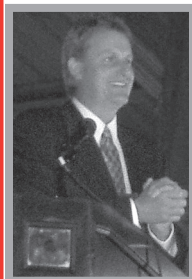
All XLA members in good standing received the slate of candidates nominated for election for association leadership positions for the upcoming term that begins in March 2006.

Elections will be held and new Officers and Board of Directors members will be installed March 13, 2006 at the Sheraton Bal Harbour as part of XLA's Annual Meeting that begins at 10:30 am.

The slate of nominees was e-mailed to all XLA members on January 27, 2006. XLA's Bylaws allow members-at-large to nominate candidates, provided they do so by notifying XLA headquarters no later than March 8, 2006.

Come to the Annual Meeting and cast your vote! ■

XLA MEMBERSHIP MEETING... (cont. from page 1)



Keith Storey

learn about XLA's "Airline of the Year" survey results from XLA Airline Liaison Committee Chairman Dan Conrad of UPS – Supply Chain Solutions.

Finally, members will cast votes for Officers and new members of the Board of Directors. Officers will be elected for a two-year term and Board members for a three-year term.

Don't miss this important meeting that brings together members once a year during AirCargo. ■

2005: THE YEAR IN REVIEW... (cont. from page 1)

XLA produced several new business services and made inroads with key government agencies that regulate express industry operations, such as the Transportation Security Administration, Customs and Border Protection, and the Food & Drug Administration. XLA gained a number of key clarifications on Bioterrorism Act recordkeeping requirements, protected the industry against onerous penalties for manifest mistakes, and gained concessions from international trading partners and delegations that advanced members' interests in trade facilitation and services negotiations.

In addition, we welcomed 19 new members into XLA, improved education programs for members, launched four new information services and publications, and introduced new corporate exposure opportunities to help members grow their businesses.

Highlights of the Accomplishments will be posted on the XLA web site after AirCargo. ■

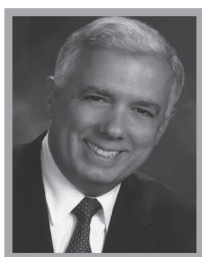


From the Chair

EXPRESS DELIVERY OF XLA MEMBERSHIP SERVICES

By XLA Member Services Committee Chair John Costanzo, Purolator USA, Inc.

The year just ended marked a sort of renaissance for our association. Why? Because membership in XLA (formerly ACCA) has always been something of great value for its members over the years, but in the past 12 months that value has increased dramatically.



in the World Trade Organization, Universal Postal Union and Customs and Border Protection. These efforts alone have saved our members millions of dollars in costs related to proposed regulation.

Second, beyond these critical areas of representation, last year our association launched a Member Services Committee. I

First, we are becoming a much more financially stable association...one able to invest in initiatives that provide benefit to our members. For example, I don't believe that there is anyone who does not recognize the importance of staying abreast of transportation security issues. Our association has built a reputation as a leader of our industry's efforts to communicate with the TSA in policy development. This has had a positive impact on security legislation that could have otherwise proved costly for our members. This influence has extended into other important areas like the representation of our members' interests

have had the benefit of seeing many new services developed, such as: a much improved web site with more useful information for our members; a career site to help us defray the high cost of recruiting in an ever tightening labor market; a new Truck Rental program that will enable our smaller members to benefit from national discounts with Penske for which they would not otherwise qualify. As we move into 2006, we are currently developing new programs for our members in other high cost areas like fuel and cargo insurance.

Finally, and perhaps one of the most significant benefits we've enhanced as

a result of our new strategic direction, is our joint annual conference with the Airforwarders Association and the Air & Expedited Motor Carriers Association that has been a real plus for all of us. AirCargo has become a great venue for the exchange of ideas and issues affecting all of us. It is also a huge opportunity for us to network and form new alliances.

In short, the key measure of any organization is its ability to add value for its key stakeholders. XLA has had a long and prestigious tradition of doing so since we were founded over 30 years ago. There's no doubt that we are now well positioned to continue to do so for many years to come. Now, perhaps more than ever, our industry is faced with some very challenging issues. As such, it's more important than ever to align with a professional, proactive and respected association like the XLA...one that can add great value to all our businesses, and protect our interests with respect to key government policy issues that will be facing our industry over the next few years.

We look forward to working with you through the Member Services Committee in making membership in our association more valuable for all of us in 2006, and for many years to come. ■

XLA GROWING STRONGER

XLA began 2006 stronger with the addition of 17 new members in 2005. And the new year has begun with five new members already on board. XLA's Officers and Board of Directors extend appreciation to all of the following new members for their support of XLA. Welcome – you are among good company!

New Members in 2005

Full Members

- 24/7 Express Courier, Inc.
- A+ Delivery Services
- BeavEx, Inc.
- City Express
- Diamond Transportation Group, Inc.
- DNJ Logistic Group, Inc.

- ENA Couriers, Inc.
- Force One Trucking
- Jet Delivery, Inc.
- Network Delivery
- Serpro Inc. dba Couriers Inc. dba Logistix Inc.
- USM Logistics

Associate Members

- Adexs, Inc.
- Contractor Management Services
- Hutchison, Perry and Associates
- Lowers & Associates
- Proforma Screening Solutions

New Members in 2006 YTD

Full Members

- 1 s t E x.com
- Prime Time Delivery & Warehouse

Associate Members

- Curtis, Mallet-Prevost, Colt & Morse LLP
- Guardian Financial
- Shipper Assessment, Inc.



“Airline of the Year” Who Will Win?

It's time to honor three airlines for their cargo service to the express delivery and logistics industry. Three honorees will be recognized during AirCargo 2006, with the top award, “Airline of the Year,” being delivered to a packed audience of AirCargo attendees on March 14 at the “Hollywood Nights Banquet” which closes the trade show and conference.

The other honorees will receive Silver and Bronze Awards during XLA's Annual Meeting on March 13, from 10:30 am to noon, at the Sheraton Bal Harbour in Florida.

Members of XLA completed comprehensive surveys in January, and the results will determine the winners of the prestigious awards. XLA Airline Liaison Committee Chairman Dan Conrad of UPS - Supply Chain Solutions will present the results of the surveys that have evaluated XLA member airlines on a variety of criteria, including service, communications, web site and technology, and tracking and tracing.

Winners will be recognized during AirCargo, in XLA's newsletter, *XLA Express*, in a prominent area of the XLA web site, and in a press release issued by the association. With the shift in presentation to AirCargo's closing banquet, this year's first place winner will gain the added exposure of receiving the honor in front of all AirCargo attendees. ■

Member Services

XLA Career Center Excellent Job Resource

The XLA Career Center offers the most comprehensive career and recruiting site for the express delivery and logistics industry. The Career Center has extensive resume and position databases and powerful and user-friendly searching capabilities that allow you to find the job or candidate you're seeking!

- Reasonable Rates for Employers, XLA Member Discounts
- Free Postings for Job Seekers

Make the XLA Career Center your resource of choice at www.expressassociation.org.

Southwest Airlines Cargo

At Southwest Airlines Cargo, (www.swacargo.com), we place a lot of emphasis on maintaining a close connection with our Cargo Customers. We know that, as a shipper, your goal is to get the most reliable service at the best value and we



strive hard to make that happen every single day.

Penske Truck Rental XLA Member Discounts

XLA Strategic Partner
Penske Truck Rental offers
XLA members National
Pricing for truck rentals.



“When your outbound business exceeds your outbound carrying capacity, give Penske a call for that extra truck.”

Call 1-800-PENSKE1 (1-800-736-7531).

See the enclosed flyer for the XLA Member discount code and details about the variety of trucks and available features. Details can also be found in the “Members Only” section of www.expressassociation.org.

Industry News

News in the Field

- **BeavEx, Inc.**, with more than 40 locations nationwide providing same-day transportation services, has named Kenneth Forster President of the company. He has responsibility for all day to day business operations. Mr. Forster also will retain his title as Chief Operating Officer and continue to report to company founder and CEO Mark Tuchmann. In a separate announcement, BeavEx's business partnership with RR Donnelley Logistics (RRDL) is ending in SC. BeavEx's last day of service to RRDL customers in SC will be April 4, 2006.
- **Air Courier Dispatch**, provider of time critical transportation logistics, sold its Metro New York operations in October 2005 to Midnite Express. As a provider of scheduled and special services for international and domestic air courier and freight, Midnite Express effectively became the New York agent to the vast agent network of Air Courier Dispatch. Air Courier Dispatch, Inc. was established in 1978 and is headquartered in Atlanta, GA.
- **Purolator USA, Inc.**, third party logistics provider and cross-border trade specialist, has been approved to operate under the terms and conditions of the Transportation Security Administration's (TSA) standard security program for Indirect Air Carriers (IAC). The indirect air carrier program requires the adoption of strict security measures through the air cargo supply chain. In addition to the benefits of strict security protocols, IAC status will allow Purolator to negotiate directly with, and to tender airfreight directly to, commercial carriers.
- **United Airlines** has expanded its international schedule, with resumption of service between Chicago and Buenos Aires and the addition of a third daily non-stop flight from Washington/Dulles to Frankfurt. Up-to-date flight information is available at www.unitedcargo.com, www.cargoportalservices.com or by calling 1.800.UA.CARGO. ■

