

# 2012 SERVICE GUIDE

## Terms and Conditions of Carriage



*We Live Here. We Deliver Here.*

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## INTRODUCTION

Welcome to Lone Star Overnight. The information in this Service Guide describes the terms and conditions which apply to the transportation of any letter, document, package, or other item by Lone Star Overnight (**LSO**).

In the event of a conflict between this Service Guide and an **LSO** airbill, the conditions in this Service Guide will take precedence. **LSO** reserves the right, at any time and without notice, to change, amend, or add to the information contained in this guide including, but not limited to, information regarding rates, service, and product features. *NO WARRANTIES, EXPRESSED OR IMPLIED, ARE MADE BY LONE STAR OVERNIGHT.*

## GENERAL FACTS

Lone Star Overnight (**LSO**) focuses on reliable overnight delivery utilizing both air and ground transportation, within and between Texas, Oklahoma, West Louisiana and Eastern New Mexico. **LSO's** operating structure allows for high service levels, more personalized customer focus, lower damage rates and increased flexibility than when using the national carriers within its service area.

All deliveries are guaranteed to be on time or you get your money back. **LSO** offers hundreds of convenient drop box locations throughout its service area, toll-free customer service, on-line shipping, free shipping supplies for express services, and up to a 150 lbs capability per package.

On March 4th, 1991, **LSO** began operations by transporting seven packages through its system. Since that date, **LSO** has continued to move important business documents and packages throughout its service area, constantly refining one of the most reliable overnight delivery systems available in the industry today. **LSO's** distinctive structure eliminates the need for what is known in the transportation industry as a "hub and spoke" system.

**LSO** culture incorporates employee incentives designed to motivate individuals to promote growth and development of the company. All team members are encouraged to put forth ideas and processes that improve service, productivity, morale and customer satisfaction. **LSO** credits this incentive program with statistically low package claims, an outstanding driver safety record with sixteen million **LSO** miles being driven each year and an impressive customer referral rate.

**LSO** is managed on a large company scale emphasizing "small company" values and dedication to the customer that is often de-emphasized by many companies in recent years. This winning strategy coupled with an outstanding workforce has produced both growth and profit each year since break-even in 1993. In 1996, **LSO** was highlighted by Inc. 500 magazine as one of the fastest growing, privately held companies that year.

Lone Star Overnight continues to move forward providing outstanding service to customers, employment and promotion opportunities to its people and a company culture based on honesty, integrity and hard work.

# SERVICES AND RATES

## DROP BOXES / PICK-UPS / DELIVERIES

**LSO** drop boxes are conveniently located in many major office buildings throughout our service area. For a list of drop boxes, call customer service at 1-800-800-8984 or visit [www.LSO.com](http://www.LSO.com).

Pick-up services are available in most areas for a small fee and may include additional charges associated with the volume of the shipment and the location of the pick-up. Any person requesting pick-up services must provide at the time of the request an active Lone Star Overnight account number or credit card number. Repeated pick-up requests without packages being ready may result in the interruption of pick-up service privileges.

**LSO** provides pick-up and delivery service Monday through Friday and offers delivery on Saturday to limited areas but no weekend pick-up.

All requests for pick-up and questions regarding **LSO** operations should be referred to [www.LSO.com](http://www.LSO.com) or by calling customer service at 1-800-800-8984.

Deliveries are point-to-point and we may deliver to someone other than the person designated on the airbill as the recipient. **LSO** may direct packages to an address or location other than the one indicated on the airbill. An "Adult Signature Required" or "Recipient Signature Required" service should be requested for deliveries that cannot be directed to an address other than the one indicated on the airbill. Shipments to facilities that utilize a central receiving area will be delivered to the central receiving area. Such locations include but are not limited to: government offices or installations, universities, multi-dwelling residences, hospitals and/or hotels.

**LSO** cannot deliver to P.O. Boxes.

A proof of delivery signature is requested with all business deliveries and upon the service selected on the airbill. **LSO** generally does not require signature for deliveries to residential areas, locations with a signature release on file, deliveries with LSO Early Overnight service, or when a signature release is indicated on the airbill. **LSO** does require an adult signature and proof of age for shipments of alcoholic beverages and "signature required service" is available for residential deliveries for an additional fee.

Signature required services must be used in conjunction with **LSO's** Web based shipping system or other **LSO** approved automated shipping systems.

## SERVICE TYPES

### EXPRESS SERVICES

#### **LSO Early Overnight**

Delivery time: next business day by 8:30 a.m.

- Available for delivery in many cities within **LSO's** service territory.
- Free use of **LSO** provided envelopes, polys, tubes and overnight boxes for **LSO** shipments
- **LSO** will not obtain a delivery signature for LSO Early Overnight deliveries and accepts no responsibility for loss or damage resulting from delivering a package without a delivery signature.
- Some extended areas may not have LSO Early Overnight service available. In the event an LSO Early Overnight package is tendered to **LSO** in one of these areas, **LSO** will still accept these packages for transport and will deliver or attempt to deliver by the end of the next business day.
- Monday – Friday pickup in most areas
- Saturday
  - Early delivery service is not available.
  - Saturday pickup service is not available.
- Packages up to 150 lbs; up to 72 inches in length and 130 inches in length and girth.
- This service is provided at an additional charge to **LSO** Priority Overnight service.
- Other fees and charges may apply.
- For a complete listing of services and areas available please go to [www.LSO.com](http://www.LSO.com)

#### **LSO Priority Overnight**

Delivery time: next business day by 10:30 a.m. to most areas, by noon, or end of next business day to some rural areas.

- Available for delivery throughout **LSO's** service territory.
- Free use of **LSO** provided envelopes, polys, tubes and overnight boxes for **LSO** shipments
- Monday – Friday pickup in most areas
- Saturday
  - Not all areas are served, please see [LSO.com](http://www.LSO.com) for a listing of areas with Saturday delivery service available
  - LSO Priority Overnight service is generally guaranteed delivery by noon on Saturday in most areas, but may be later in more rural or remote areas where commitment times are later.
  - Saturday pickup service is not available.
  - Saturday delivery service carries an additional charge to **LSO** Priority Overnight service.
  - Other fees and charges may apply.
  - Delivery commitment times vary and may be later in rural areas.
- Packages up to 150 lbs; up to 72 inches in length and 130 inches in length and girth.
- Other fees and charges may apply.
- For a complete listing of services and areas available please go to [www.LSO.com](http://www.LSO.com)

#### **LSO Standard Next Day (where available)**

Delivery time: next business day by 1 p.m. to most areas, or end of next business day to some rural areas.

- Pickup areas are limited, yet available for delivery throughout **LSO's** service territory.
- Free use of **LSO** provided envelopes, polys, tubes and overnight boxes for **LSO** shipments
- Monday – Friday pickup in most areas
- Saturday
  - **LSO** Standard Next Day is not available for Saturday delivery.
  - Saturday pickup service is not available.
- Packages up to 150 lbs; up to 72 inches in length and 130 inches in length and girth.
- Other fees and charges may apply.
- For a complete listing of services and areas available please go to [www.LSO.com](http://www.LSO.com)

### **LSO Economy Next Day**

Delivery time: next business day by 3 p.m. to most areas, or end of next business day to some rural areas.

- Available for delivery throughout **LSO's** service territory.
- Free use of **LSO** provided envelopes, polys, tubes and overnight boxes for **LSO** shipments
- Monday – Friday pickup in most areas
- Saturday
  - **LSO** Economy Next Day is not available for Saturday delivery.
  - Saturday pickup service is not available.
- Packages up to 150 lbs; up to 72 inches in length and 130 inches in length and girth.
- Other fees and charges may apply.
- For a complete listing of services and areas available please go to [www.LSO.com](http://www.LSO.com)

### **LSO Simple Option**

**LSO** Simple Option is another pricing option that can be selected when shipping using any **LSO** express service and provides an inclusive pricing option with few additional fees or charges.

- This pricing option utilizes unique rate tables that allow shipping of **LSO** express services with no additional fees or charges for the basic additional service features of Pickup, Residential Delivery, Remote Delivery Area, Signature Required, Security, LSO HIPAA Service and Fuel Surcharge.
- Declared value, Adult Signature Required, Recipient Signature Required, LSO Early Overnight delivery and LSO Saturday delivery are enhanced service features that are available with the **LSO** Simple pricing option at the current fees for those enhanced services.
- **LSO** Simple Option pricing is available every time a shipment is made and provides a choice to the shipper to use either **LSO's** traditional pricing or **LSO** Simple Option pricing methodology each time they ship for qualified service levels.
- All service commitments, features and guarantees are the same whether choosing the **LSO** Simple pricing option or the traditional pricing option for a shipment using the same service and shipment information.
- Free use of **LSO** provided envelopes, polys, tubes and overnight boxes for **LSO** Simple Option shipments
- DIM weight rules are a weight based measurement and apply to all **LSO** services regardless of pricing options or service levels selected.
- **LSO** Simple Option is not available for use with LSO deferred services including **LSO** Ground and is also not available for **LSO** Mexico services
- **LSO** Simple Option is not available when using pre-printed or other non-automated **LSO** airbills

### **LSO Mexico**

Delivery time: 2-3 business days to any city in Mexico.

- Delivery is day-definite and based on the distance to your destination.
- Free use of **LSO** provided envelopes, polys, tubes and overnight boxes for **LSO** shipments.
- Monday – Friday pickup in most areas
- Saturday delivery service to Mexico is not available.
- **LSO** Mexico service is limited to document shipments up to 2 lbs.
- Other fees and charges may apply.
- For a complete listing of services and areas available please go to [www.LSO.com](http://www.LSO.com)

## **DEFERRED SERVICES**

### **LSO Ground**

**LSO's** most economical service with delivery time of 1-3 business days.

- Delivery is day-definite and based on the distance to your destination.
- Available for delivery throughout **LSO's** service territory.
- Use of **LSO** provided envelopes, polys, tubes and overnight boxes are **not permitted** for LSO Ground service and use of LSO provided supplies for LSO Ground service will result in the shipment being upgraded to LSO Economy Next Day service and priced accordingly.
- Monday – Friday pickup in most areas
- Saturday delivery service is not available for **LSO** Ground
- Packages up to 150 lbs; up to 72 inches in length and 130 inches in length and girth.
- Other fees and charges may apply.
- For a complete listing of services and areas available please go to [LSO.com](http://LSO.com)

**LSO Multi-Pak**

- **LSO** Multi-Pak service is a total shipment based pricing methodology available for all service levels except for Mexico.
- **LSO** Multi-Pak is offered on a contractual basis only.
- Packages must originate from the same shipper at the same location on the same day and be delivered to the same consignee at the same address on the same day to be considered an eligible **LSO** Multi-Pak shipment.

## DELIVERY ATTEMPTS

**LSO** will make reasonable efforts to deliver a package. Any delivery scheduled to be made on a non-business day or holiday will be rescheduled for delivery on the following business day. Any shipment to entities which use a centralized mailroom may be made to the central receiving area. An "Adult Signature Required" or "Recipient Signature Required" service should be requested for deliveries that cannot be directed to an address other than the one indicated on the airbill. An additional fee applies for Adult Signature Required or Recipient Signature Required service.

After three attempts, if we are unable to obtain a delivery signature for any package which requires one, it will be returned to our nearest facility and a notice of attempted delivery will be left at the recipient's address. We will then attempt to notify the shipper and arrange for the return of the package. All charges associated with the attempted delivery and return to shipper, when applicable, will be billed to the account indicated on the airbill.

Packages containing alcoholic beverages will be kept in storage at **LSO** offices for a period of five (5) consecutive days after three delivery attempts. If within the five (5) consecutive days the recipient fails to report to the **LSO** office and/or fails to show proof of age at **LSO** location at the time of pick-up, the package will be returned to shipper. All charges associated with the return of the package to the shipper will be billed to the account indicated on the airbill.

**LSO** will attempt to deliver packages even when the recipient's address is incomplete or incorrect, including an incorrect zip code. A special handling fee will be charged for the additional service of locating the correct address. If we cannot determine the correct address and cannot reach the recipient, we will attempt to reach the sender to obtain an address correction or additional instructions.

In the event of an incomplete or incorrect address, **LSO's** delivery guarantees shall not apply and no liability shall arise for failure to deliver the package in accordance with the schedules set forth in this Service Guide.

## DELIVERIES TO RESIDENTIAL AREAS

A residential delivery is a delivery to a home or private residence, including locations where a business operates from the home or to an address designated as a residential address by the United States Postal Service.

Lone Star Overnight does not generally obtain a signature for deliveries to residential areas. An additional fee applies to all deliveries made in residential areas.

Residential, "Signature Required" service is available with all services except **LSO** Early Overnight service, for an additional fee and is not available for packages using manual or preprinted airbills. Signature required services must be used in conjunction with **LSO's** Web based shipping system or other **LSO** approved automated shipping systems.

**LSO** may direct packages to an address or location other than the one indicated on the airbill. An "Adult Signature Required" or "Recipient Signature Required" service should be requested for deliveries that cannot be directed to an address other than the one indicated on the airbill. An additional fee applies to shipments with Adult Signature Required or Recipient Signature Required service.

## OUT OF SERVICE AREA SHIPMENTS

**LSO** provides time definite and day definite delivery service to points within our service area. If we are tendered a package for shipment outside our service area, we may, at our option, return the package to the sender or accept the shipment for consignment to another carrier.

If the package is tendered to another carrier for shipment, the shipper will be responsible for the cost of transportation by the other carrier (at that carrier's published retail rates) as well as any pertinent surcharges plus a service fee payable to **LSO**.

Our delivery of a package to another carrier for delivery outside our service area constitutes delivery of the shipment by **LSO**. Claims or inquiries arising from service provided by another carrier should be directed to that carrier.

## SHIPMENTS OF ALCOHOLIC BEVERAGES

Only wine or beer may be accepted for transportation by **LSO** on a contractual basis only from shippers who are licensed and authorized under applicable laws to ship alcoholic beverages in **LSO's** service area.

The shipment of alcoholic beverages requires the use of "Adult Signature Required" service for each package containing alcoholic beverages. Adult Signature Required services must be used in conjunction with **LSO's** web based shipping system or other **LSO** approved automated shipping systems. An additional fee for this service will be added to the cost of each package in a shipment. The service is not available for packages using manual or preprinted airbills.

It is the responsibility of the shipper to ensure that a package tendered to **LSO** does not violate any federal, state, or local laws or regulations applicable to the package.

(See page 16 for a complete set of regulations applicable to shipments of alcoholic beverages).

## ON-LINE SERVICES

Lone Star Overnight offers comprehensive on-line services:

- Ship Packages
- Order supplies
- Schedule pick-ups
- Track Packages
- Electronic proof of delivery
- Drop box locator
- Rate calculation
- Service area verification
- Service options
- Fuel surcharge information
- Holiday schedule
- Job openings
- Payment information and links
- Rewards
- General information

## SHIPMENTS TO MEXICO

Lone Star Overnight started delivery service to destinations throughout Mexico in May 2006, in association with Estafeta. Shipments to Mexico are subject to some limitations:

- Documents Only
- Weight limit of 2 lbs or less
- No declared value services

Lone Star Overnight's maximum liability for loss or damage of a package with a Mexico destination is limited to the actual damage or \$100, whichever is less.

## LSO SERVICE GUARANTEE

**LSO** provides a money-back guarantee based on lack of service and package status.

1. **Service Guarantee** – If we deliver your shipment after our published delivery deadline, and are notified within 30 calendar days, we will either refund the charges or credit your account. **LSO** cannot give refunds or credits if the delay has been caused by an incorrect or incomplete address, or the refusal or inability of the recipient to accept the package at delivery, return of the shipment or any of the reasons outlined in the section titled "Liabilities Not Assumed." Our guarantee only applies to shipments sent within our service area.

2. **Package Status Guarantee** – "Package status" is defined as the information regarding the location of your package in our tracking system. If we are unable to report the status of your package in our tracking system within 90 minutes after its scheduled delivery time, upon request we will either refund the charges or credit your account for the amount charged for delivery of that particular package. Any refund request must be made within 15 days after the date of the shipment. To request package status information, you must provide your customer number, airbill number, date of the shipment, and the recipient's name, address and zip code. Our package status guarantee applies only to **LSO** Early Overnight, **LSO** Priority Overnight, LSO Standard Next Day, **LSO** Economy Next Day and LSO Saturday services for shipments sent within our

service area.

**EXCEPTION:**

*Service guarantees may be waived during or after inclement weather occurring at any point of the shipment's route and/or during observed **LSO** Holidays or days near said Holidays with reduced service. **LSO** Ground and Multi-Pak Service guarantees are suspended for the 14 days prior to Christmas for packages tendered between December 11<sup>th</sup> and December 24<sup>th</sup>. **LSO Express** Service guarantees are suspended for the 5 days prior to Christmas for packages tendered between December 20<sup>th</sup> and December 24<sup>th</sup>. **LSO** reserves the right to modify service guarantees at its sole discretion and without prior notice.*

## RATE QUOTES

Any rate and/or service quotes provided by **LSO** employees will be calculated based on information provided by the customer, but final rates or service will be determined based on the actual services provided during shipment.

**LSO** reserves the right to audit airbills and shipment particulars to confirm the package weight and service selected. If either weight or service selected is discovered to be incorrect, we will make appropriate changes to the invoice and/or airbill.

For current rates visit [www.LSO.com](http://www.LSO.com) or call our customer service department at 1-800-800-8984.

## SERVICE FEES

**LSO** delivery rates do not include fees corresponding to additional services. **LSO** service fees include, but are not limited to:

### **LSO Early Overnight delivery**

A surcharge applies to packages with **LSO** Early Overnight delivery service. The surcharge also applies to shipments utilizing the **LSO** Simple Option.

### **LSO Priority Overnight for Saturday delivery**

A surcharge applies to packages with **LSO** Saturday delivery service. The surcharge also applies to shipments utilizing the **LSO** Simple Option.

### **Residential Area Delivery \***

A per package residential delivery charge applies to shipments to a home or private residence, including locations where a business is operated from a home, or to any shipment in which the shipper has designated the delivery address as a residence. This charge does not apply to express shipments utilizing the **LSO** Simple Option. **LSO** Simple option is not available for **LSO** Ground shipping.

### **Remote Delivery Area \***

A per package delivery area surcharge applies to packages delivered to select USPS postal codes. This charge does not apply to express shipments utilizing the **LSO** Simple Option. **LSO** Simple option is not available for **LSO** Ground shipping.

### **Manual Airbill Processing**

Using **LSO** preprinted or handwritten airbills have a per package fee associated with their use. Shippers can avoid this fee by processing shipments via [www.lso.com](http://www.lso.com) or using an approved **LSO** electronic shipping system.

### **On Call Pick-up \***

A per package charge applies when you request an on demand pickup, including requests made using [www.lso.com](http://www.lso.com), **LSO** authorized electronic shipping systems or calling **LSO** customer service at 1-800-800-8984 to request a pickup on the same or future day. For accounts that have regular scheduled pick-up service, this fee will only be assessed if an on demand pickup is requested in addition to the regular scheduled pickup(s). This charge does not apply to customers who tender packages to **LSO** via an **LSO** Drop Box, to an **LSO** location or who have selected the **LSO** Simple Option when shipping an express service package. **LSO** Simple option is not available for **LSO** Ground shipping.

### **Regular Scheduled Pick-up**

**LSO** may provide regular scheduled pickup service and the charge for this service will be associated to the account with the regular scheduled pickup. To provide maximum customer flexibility the charge is broken down per day for each scheduled regular pickup during the week and will be assessed even when no packages are picked up on the scheduled day. The charge may be reduced or eliminated depending on the revenue for the period. The total revenue for the period will be divided by the daily revenue threshold and rounded down. This result will be the number of regular scheduled pickups that will have no regular pickup fee for meeting minimum revenue requirements.

Example: An account has 4 regular scheduled pickups per week, with weekly revenue of \$70 and a revenue threshold per pickup of \$20.  $\$70 / \$20 = 3.5$  then rounding down yields 3 regular scheduled pickups during the week for no fee, subtracting the 3 regular scheduled pickups with no fee from the total of 4 yields only 1 day of regular pickup service that will be charged the regular scheduled pickup fee.

### **Incorrect or Incomplete Address**

If **LSO** is unable to deliver a package as addressed by the shipper or if the package has an invalid, incorrect or incomplete address, **LSO** will make reasonable efforts, as determined by **LSO** at its sole discretion, to secure the correct or complete address. If the correct or complete address is secured, **LSO** will attempt delivery, shipper will be provided with the corrected address and an Incorrect address charge will be assessed.

### **Fuel Surcharge \***

**LSO** reserves the right to assess a fuel surcharge on shipments without notice (see Fuel Surcharge section for more detail). This charge does not apply to express shipments utilizing the **LSO** Simple Option. **LSO** Simple option is not available for **LSO** Ground shipping.

### **Overweight and/or Oversize Shipment**

Packages over 150 lbs, over 72 inches in length or over 130 inches in girth are not accepted in the **LSO** system and if **LSO** accepts such shipments at its option, the package will be assessed an Overweight/Oversize charge.

### **Declared Value**

Packages with declared value in excess of \$100 will be assessed a Declared Value fee per \$100 of declared value, subject to a minimum declared value of 3 times the per \$100 declared value charge. Shipments with declared value over \$500 will automatically be designated as signature required and will be assessed a signature required fee in addition to any Declared Value services and should be shipped using LSO's website at [www.lso.com](http://www.lso.com) or LSO authorized shipping solution.

### **Incorrect/Incomplete Billing Information**

If package level data necessary for billing is not available, **LSO** may utilize system level data to reasonably approximate the missing data to process billing. By tendering the package to **LSO** you agree to pay the charges as determined by **LSO** utilizing reasonable approximate package level data when the actual package level data is incomplete or missing.

### **Billing Corrections**

A processing fee will be charged for a missing or invalid account number when the account number is missing, the account number is not the correct number for the bill-to party, or the account number is for a receiver or third party who fails to pay the shipping charges.

### **Return Shipments**

When returning a shipment to the shipper, **LSO** at its sole discretion may prepare a new airbill and return the shipment to the shipper at the applicable rates. Return shipments are considered a new shipment.

### **Re-routing of Shipments**

A shipping fee is billed to the account number specified on the **LSO** airbill or shipping label for each rerouted package. Reroutes include delivering to a different address in the same city or changing a hold-at-location instruction to delivery driver.

### **Signature Required \***

**LSO** will obtain a signature before releasing the shipment. Packages with Signature Required service may be directed to an alternate location other than the address on the package such as a neighbor or as specified by the consignee. This charge does not apply to express shipments utilizing the **LSO** Simple Option. **LSO** Simple option is not available for **LSO** Ground shipping.

### **Adult Signature Required**

**LSO** will obtain an adult (over 21) signature before releasing the shipment. Packages with Adult Signature Required service will not be directed to an alternate location in the event the delivery cannot be completed and will have up to 3 delivery attempts before being returned to the shipper.

### **Recipient Signature Required**

**LSO** will obtain a specific consignee signature that matches the Recipient named on the package before releasing the shipment. Packages with Recipient Signature Required service will not be directed to an alternate location in the event the delivery cannot be completed and will have up to 3 delivery attempts before being returned to the shipper.

### **Security or Controlled Access \***

A Security or Controlled Access fee may be assessed if delivery is to a secure delivery location that involves security processes including, but not limited to security screening, controlled gate access, package and/or personnel inspection, etc. This charge does not apply to express shipments utilizing the **LSO** Simple Option. **LSO** Simple option is not available for **LSO** Ground shipping.

### **LSO HIPAA Service \***

If selected by the shipper, **LSO** will provide a driver who has completed training in maintaining HIPAA (Health Insurance Portability and Affordability Act) confidentiality. The charge for this service is applied at the account level for pickup service using a HIPAA confidentiality trained driver and on per package basis for delivery using a HIPAA confidentiality trained driver. This charge does not apply to express shipments utilizing the **LSO** Simple Option. **LSO** Simple option is not available for **LSO** Ground shipping.

If **LSO** packaging is utilized with **LSO** Ground or Ground Multi-Pak shipments, rates for **LSO** Economy Next Day services will apply.

\* There is no additional fee for these services when using the **LSO** Simple Option for qualified services.

## **FUEL SURCHARGE**

We reserve the right to assess fuel and other surcharges on shipments, without notice. We will determine the amount and duration of any such surcharges at our sole discretion. By tendering your shipment to **LSO**, you agree to pay the surcharges, as determined by **LSO**. The fuel surcharge percentage will be subject to adjustment monthly using a rounded average of the U.S. Gulf Coast (USGC) spot price for a gallon of kerosene-type jet fuel for **LSO** Express Services as published monthly by the U.S. Department of Energy. For **LSO** Ground, the fuel surcharge percentage will be subject to adjustment monthly using a rounded average of the National U.S. On-Highway Average price for a gallon of diesel fuel, as published monthly by the U.S. Department of Energy. Fuel surcharges will be calculated as a percentage of shipping and other charges based on **LSO** published rates unless otherwise agreed to by **LSO** at **LSO's** sole discretion.

Changes to the fuel surcharge will be applied effective the first of each month. The percentage for each month is available at [www.iso.com](http://www.iso.com) approximately two weeks before the surcharge is applicable.

## DIMENSIONAL WEIGHT PRICING

**LSO** may charge additional fees for transportation costs based on volumetric standards.

**LSO** dimensional weight for express services is determined by multiplying length times width times height of each package (in inches) and dividing by 166. If the amount determined under that formula is in excess of the actual weight of the package, the charge for the shipment will be based on the dimensional weight.

**LSO** dimensional weight for **LSO** Ground service may apply to shipments that are three (3) cubic feet (5,184 cubic inches) or larger. Dimensional weight is calculated by multiplying length times width times height of each package (in inches). If the total amount determined under this formula is 5,184 inches or more, the total amount will be divided by 166 to get the dimensional weight.

**LSO** maximum dimension limits specify that no package shall weigh more than 150 lbs., be no more than 72" long, and measure no more than 130" in length plus girth (two times the width plus two times the height).

Packages in excess of 150 lbs, 72" in length or 130" in girth will be assessed an additional Oversize fee if accepted. **LSO** reserves the right to reject such shipments at its sole discretion.

## LSO HOLIDAYS

**LSO** generally observes the following holidays; however, we reserve the right to amend this schedule at any time and without prior notice.

Memorial Day      Independence Day

Labor Day          Thanksgiving Day

Christmas Day      New Year's Day

*NOTE: Pick-up service will be offered the Friday after the Thanksgiving holiday by appointment only and with delivery guarantees extended to the following Tuesday. No delivery services are offered on the Saturday after the Thanksgiving holiday.*

# PAYMENT FOR SERVICES

## CREDIT ACCOUNTS

You may pay for your shipment by credit card (Visa, Mastercard, American Express, or Discover) or you may charge the shipment to a valid **LSO** customer account.

**LSO** customer accounts are available to businesses only. Requests for customer numbers are subject to a credit investigation and verification. These numbers are non-transferable and any misuse can result in a termination of shipping and/or credit privileges.

If no credit card number or valid **LSO** customer number appears on the airbill, we will either return the package to the shipper or deliver it to the recipient, at our option. A handling fee in addition to the shipping charge will be billed to the shipper if the package is delivered.

Electronically captured data will be used for billing purposes in the event a billing copy of the airbill is not available at the time of billing.

Any supplies, materials, rights or privileges acquired by holding an **LSO** account must be used in conjunction with **LSO** shipping services.

The holder of an **LSO** account is responsible for all charges to the account, including those incurred by unauthorized users. The protection or unauthorized release of an account number is the sole responsibility of the account holder.

## CREDIT TERMS

The credit cycle begins on the invoice date and payment is due in full within 15 days from the invoice date. If you are unable to keep your account current, you will be placed on a "prepaid only" status, which may limit your ability to receive service.

Accounts which are not kept current are subject to "interruption of service" status, which may cause your shipment to be detained or delayed in transit. To reinstate service you must contact **LSO** to make payment or payment arrangements. **LSO** may choose not to restore credit privileges even after all past due charges have been paid. If a situation requires that a suit be filed to collect the aforementioned unpaid charges, you agree to be liable for all reasonable costs which include, but are not limited to, attorney fees, collection agency fees, interest and court costs. **LSO** does not provide consumer credit privileges.

No refunds, adjustments, credits, or claims will be paid if your **LSO** account, or any account opened in conjunction with your account, is more than 60 days past due. Requests for invoice adjustments due to an overcharge dispute must be submitted within 60 days of the original invoice date, or within 60 days of the ship date if the package was billed to a credit card or paid in cash. Billing adjustments may be submitted electronically to [billingdispute@LSO.com](mailto:billingdispute@LSO.com).

Please remit payments to: Lone Star Overnight, P.O. Box 149225, Austin, Texas 78714-9225.

## LIABILITIES NOT ASSUMED

Any failure by us to enforce or apply a term, condition or provision of the Lone Star Overnight Service Guide does not constitute a waiver of that term, condition or provision and does not otherwise impair our right to enforce such term, condition or provision.

**LSO** accepts no liability, and will make no refund or credit adjustment for any loss, damage, delay, misinformation or failure to provide information, mis-delivery, or non-delivery due to the following factors:

- Disruptions in air or ground transportation networks due to events beyond our control, including but not limited to weather conditions or phenomena, strikes, or natural disasters, perils of the air, public enemies, terrorism, public or governmental authorities acting with actual or implied authority of law, local disputes, civil disruptions, or acts or dangers of war.
- Shipper's violation of any of the **LSO** terms or conditions listed on this Service Guide, airbills or any current **LSO** official forms or publications.
- The nature of the shipment including any defects.
- Verbal or written pick-up, delivery or billing instructions provided by the shipper or recipient or persons claiming to represent the shipper or recipient of the package.
- Claims of loss or damage to packages with unbroken seals at time of delivery.
- Inability to provide a copy of the delivery records.
- Failure to honor orientation stickers or markings on package ("up" and/or "down" arrows, "fragile" stickers or writings, etc.).
- The use of an inaccurate, incomplete or invalid account number or credit card number.
- The use of an account by an unauthorized agent.
- Lack of notification for delay, loss or damage of your shipment or inaccuracy of such notice.
- Shipments containing a prohibited item.
- Claims for shipments released without a signature under services and conditions for which **LSO** does not require a delivery signature.
- Perishables.
- Insufficiently or inappropriately packed shipments.
- Claims for shipments of used electronics are limited to \$100.

Upon the occurrence of any of these events, **LSO** pledges to serve our customers by making reasonable alternative delivery plans as rapidly as it is possible under the circumstances.

**LSO** reserves the right to open and inspect any package tendered for shipment. Failure to do so in no way waives our right to inspect such packages.

**LSO** reserves the right to refuse to handle a shipment when, in our opinion, that shipment poses a threat of damage or injury to other packages, personnel, equipment, or when the shipment is prohibited by law or by conditions in this Service Guide.

**LSO** reserves the right to hold or return any shipment at our sole discretion and without liability.

The performance of any services does not make **LSO** an agent of the shipper or any third party for any purpose.

## DECLARED VALUE

**LSO** does not provide insurance coverage of any kind.

**LSO** maximum liability for any loss, damage, delay, mis-delivery, non-delivery, misinformation or failure to provide information is limited to the declared value of \$100, unless a greater and verifiable amount is declared on the airbill for the package at the time of tender and an additional fee paid for such value. If the declared value indicated on the airbill is more than \$100, but less than \$301 the declared value for the shipment will be billed at the \$300 minimum rate.

For shipments with a declared value over \$500, the use of signature required service is mandatory at the then applicable rate.

The responsibility of proving actual damages as well as additional risk or exposure in excess of the shipment's declared value as a single unit or airbill falls solely on the shipper. **LSO** will not assume liability for amounts in excess of the Declared Value indicated and paid for by the shipper.

Except as outlined below, the maximum declared value for any **LSO** package is \$25,000. A limit of \$500 of declared value will be imposed on packages containing items of "extraordinary value," including, but not limited to the following: artwork; jewelry; furs; precious metals; film; photographic images, negatives, chromes or slides; antiques; collector's items; glassware; pharmaceuticals; prescribed medication; any items placed in **LSO** drop boxes; items such as but not limited to gift cards and/or certificates, traveler's checks, money orders, prepaid calling cards, lottery tickets, airline tickets, and any other commodity considered by **LSO** to be of uncertain hazard or risk will be limited to only the value of replacing, stop pay or reissue of such items and under no circumstances will **LSO** assume liability for the face value or negotiable value of such items. A limit of \$100 of declared value will be imposed on shipments of used electronics.

Declared value service should not be used and Lone Star Overnight will not assume liability pursuant to Liabilities Not Assumed items as listed on page 16 of this Service Guide nor Prohibited Items as listed on page 19 of this Service Guide, except when prior approval, in writing, has been given by **LSO**.

Regardless of the declared value of a package shown on the airbill, **LSO's** liability for loss or damage or failure to provide information will not exceed the original cost, repair cost of the shipment's contents, its replacement cost or its depreciated value, whichever is less.

Even when a *higher value* has been declared, **LSO** is *not liable* for any amount over the actual value of the contents of the shipment or any special or consequential damages, including but not limited to, loss of income or profits, whether or not such damages were foreseeable.

**LSO** explicitly will not assume liability for consequential, incidental, special or other damages as a result of damage, non-delivery, loss, late delivery or other disruption even when **LSO** may be at fault.

## DANGEROUS GOODS

**LSO** does not handle shipments of dangerous goods or hazardous materials.

For questions about these materials you may call our customer service department at 1-800-800-8984 prior to scheduling a pick-up request.

## PHARMACEUTICALS

It is the sole responsibility of the shipper for complying with all applicable local, state and federal laws, regulations, ordinances and rules governing the shipment of pharmaceuticals.

Packages containing pharmaceuticals should not exhibit markings, labels or any written notice declaring the contents as pharmaceuticals.

## SHIPMENTS OF ALCOHOLIC BEVERAGES

- Packages containing alcoholic beverages (wine or beer) are accepted for transportation only on a contractual basis and only from shippers who are licensed and authorized under applicable laws to ship alcoholic beverages in **LSO's** service area.
- The shipper agrees to the provisions set forth in the approved **LSO** agreement for the transportation of wine or beer as applicable and must have a signed contract on file with **LSO**.
- The shipment of alcoholic beverages requires the use of Adult Signature Required service requesting an adult signature for each package containing alcoholic beverages. Signature required services must be used in conjunction with **LSO's** Web based shipping system or other **LSO** approved automated shipping systems. An additional fee for this service will be added to the cost of each package in a shipment. The service is not available for packages using manual or preprinted airbills.
- **LSO** does not accept packages containing beer or spirits for delivery to a consumer.
- It is the responsibility of the shipper to ensure that a package tendered to **LSO** does not violate any federal, state, or local laws or regulations applicable to the package.
- **LSO** reserves the right to dispose of any alcoholic beverages tendered for shipment which shippers are prohibited from shipping, which **LSO** is not authorized to accept, which **LSO** states that it will not accept, or which **LSO** has a right to refuse.
- The shipper agrees to indemnify, defend, and hold harmless **LSO**, its parent corporation, and affiliated companies, their officers, directors, employees, agents, and their successors and assigns, from all claims, demands, expenses, liabilities, causes of action, enforcement procedures, and suits of any kind or nature brought by a governmental agency or any other person or entity arising from or relating to the transportation of a package containing alcoholic beverages, or from the shipper's noncompliance with **LSO's** requirements for the shipment of alcoholic beverages or governmental laws or regulations applicable to the transportation of alcoholic beverages. Under no circumstances shall **LSO** be liable for special, incidental, or consequential damages arising from the transportation of a shipment of alcoholic beverages.
- **LSO** reserves the right to discontinue service to any shipper for, among other reasons, tendering a package containing alcoholic beverages that does not comply with all applicable laws or the **LSO** Service Guide/Terms and Conditions of Service relating to the shipment.

## PROHIBITED ITEMS FOR SHIPMENT

**LSO** does not accept certain specific commodities for transportation, including but not limited to the following:

- a. Fireworks.
- b. Money, cash, currency, paper money, negotiable instruments, which represent cash like bonds, cash letters and endorsed stocks.
- c. Live animals to include birds, fish, insects and reptiles. Human corpses, human organs or body parts, cremated or disinterred human remains except as permitted below subject to prior approval.
- d. Animal carcasses. (This restriction does not apply to properly packaged meat, poultry or fish products intended for human consumption). Parts intended for taxidermy may be accepted if properly packed).
- e. Hazardous Materials or Dangerous Goods for which LSO is prohibited from accepting.
- f. Infectious or suspected infectious materials.
- g. Shipments that may require special license for transportation or that may cause damage or harm to personnel, equipment or other shipments.
- h. Any item whose transportation is prohibited by law, statute or regulation, for any reason, in a state where it is intended to be transported.
- i. Any item which requires **LSO** to obtain a local, state or federal license for its transportation.
- j. Wet, leaking or odorous packages.
- k. Dry ice may be accepted in quantities under 5 lbs per package for **LSO** express services when used as refrigerant only and in conjunction with non-Hazardous materials shipments. It is the sole responsibility of the shipper for complying with all applicable local, state and federal laws, regulations, ordinances and rules governing any shipment containing dry ice.

#### Items Subject to Restrictions/Prior Approval

- a. Firearms and/or ammunition. (Shipper is responsible for compliance to local, state and federal laws). The packaging must not be marked, labeled or otherwise identify as containing a firearm. Drop box services are prohibited on shipments containing firearms. Shipments are permitted between:
  1. Licensee to licensee
  2. Licensee to consumer
  3. Consumer to licensee
- b. Alcoholic beverages via contract services
- c. Tobacco products. (Shipper is solely responsible for compliance to local, state and federal laws and regulations).
  1. Licensee to dealer
  2. Distributor to licensee
  3. Dealer to Distributor
- d. Biological substances, Category B and Exempt Human or Animal Specimens (Shipper is solely responsible for compliance to local, state and federal laws and regulations).
- e. Perishables including but not limited to plants, meat, poultry, fish, etc. Live animals may be accepted on a unique and specific customer by customer basis with approval of **LSO**. The following shall apply in all instances:
  1. Shipments must be business to business unless otherwise approved by **LSO**
  2. Shipper must package shipments to allow for the safe transportation of perishables and/or live animals and to prevent damage to other packages.
  3. It is the responsibility of shipper to adequately package shipments for all temperature extremes and handling conditions.
  4. Shipper acknowledges that **LSO** cannot assume liability for loss of any perishable and/or live animal shipments including loss or death of animals tendered to **LSO** and agrees that shipping such items is at their own risk and not to file any claim due to a perishable nature of a shipment.
  5. Approval to tender live animals must be via written agreement between shipper and **LSO** and signed by a duly authorized person.

## PACKAGING REQUIREMENTS

It is the shipper's responsibility to pack all packages for safe transportation given customary care in handling. The provision of supplies for a shipment by **LSO** or the assistance of a driver in packaging the item does not remove the shipper's responsibility for adequate and sufficient packaging in accordance with the nature of the item being shipped or create liability on the part of **LSO** for damages of any kind.

The recipient's address should include name, street address and street zip code marked durably and legibly. If a package leaks or is damaged due to inadequate packaging it will be returned to shipper (if possible) at shipper's expense.

LSO Overnight and LSO Next Day letter shipments must be made in packaging which clearly displays the **LSO** airbill. Shippers are responsible for accurately completing the airbill and for adequately packaging shipments. Attention to these items will allow for superior service while any errors may result in a billing adjustment.

**LSO** does not provide packing services. **LSO**, at its option, may re-pack packages in need of additional packaging materials or add temperature control agents to preserve package contents. In the event that such service is provided, a special handling fee will be added to the shipping cost.

**LSO** will assume LSO Priority Overnight service and rate when shipper fails to select a service type on a manual airbill.

**LSO** does not provide packaging materials for its deferred services. If express supplies are utilized for Ground or Multi-Pak shipments, said shipments will be billed at applicable LSO Economy Next Day rates and surcharges.

Computer & Electronics	Markings
<p>Laptop, desktop, notebook, mini-computers, computer components, electronic equipment of all types, electronic testing and all electronic diagnostic and measuring instruments must be packaged in the original manufacturer's packaging in order to file a claim for damage. Original manufacturer's packaging is subject to review by <b>LSO</b> based on current industry standards of similar items or shipments.</p>	<p>There will be no special handling of shipments marked "Fragile", "Refrigeration Required" or orientation markings to include, but not limited to: "This end Up" or "Up" arrows. We assume no liability for extremely fragile items to include: fluorescent tubes, X-ray tubes, light bulbs, flat panel display screens of all types and models, neon lighting and neon signs, and scale models including, but not limited to, architectural models.</p>
Non-Infectious Liquids	Perishable Items
<p>Urine, blood, and other non-infectious liquid diagnostic specimens and all other liquids will only be accepted in a three layered, leak-proof transport system. This system should consist of an airtight primary receptacle placed inside of a secondary, watertight receptacle along with absorbent packing material sufficient to absorb contents of the primary receptacle, and then placed into a final sturdy, watertight outer container. A sturdy outer container must be constructed of ridged plastic, fiberboard, wood, or corrugated cardboard designed for such purposes. Styrofoam and regular <b>LSO</b> express delivery packaging, plastic, and paper bags are considered to be insufficient and are prohibited. Shipment of infectious or suspected infectious materials is prohibited.</p>	<p>Perishable items may be accepted for transport if properly packed in a three layered, leak-proof transport system. This system should consist of an airtight primary receptacle placed inside of a secondary, watertight receptacle along with absorbent packing material sufficient to absorb contents of the primary receptacle, and then placed into a final sturdy, watertight outer container. Refrigerant material in compliance with <b>LSO</b> acceptance policy should be used to protect the contents of the package. Styrofoam and regular <b>LSO</b> express delivery packaging, plastic, and paper bags are considered to be insufficient and their use is prohibited for the transport of perishable items. In all cases, <b>LSO</b> will accept for transport and the shipper solely assumes all risk and liability when shipping perishable items with <b>LSO</b> and agrees not to file or otherwise submit any claim to <b>LSO</b> for any loss or damage due to a shipment or package's perishable nature.</p>

# CLAIMS PROCESS

## FREIGHT AND SERVICE CLAIMS

1. All claims of damage must be made in writing within 15 days after the delivery of the shipment.
2. Claims involving late delivery, non-delivery, or mis-delivery must be received in writing within 30 days of the delivery.
3. Our Customer Service staff is available to answer questions regarding your claim. Verbal notice of the claim does not waive the requirement of written notice outlined in paragraph (2) above.
4. Written documentation of all claims must be provided to us within 30 days after we receive original written notification as described in paragraphs (1) and (2). This documentation may include original purchase invoices, estimate for repair, appraisals, expense statements, airbill copies, etc. All documentation must be verifiable to **LSO's** satisfaction.
5. Original shipping materials including boxes and packing materials must be made available for our inspection and must be retained until the claim process is complete.
6. Except as stated below, receipt of the shipment by the recipient without written notice of damage on our delivery manifest is prima facie evidence that the shipment was delivered in good condition. As a condition to our considering any claim, the recipient must make the original shipping cartons, packing and package contents available to us for inspection.
7. In the event of concealed damage discovered at a time later than the actual delivery, either the recipient or the shipper should notify us in writing promptly after discovering the damage and no later than fifteen days after we have made the delivery. The recipient will need to make the original shipping carton and packing materials available to us for inspection.
8. Action on all claims must proceed within one year of the date of the delivery or from the date on which the shipment should have been delivered.

All correspondence involving claims should be sent to: Damage & Claims Committee, P.O. Box 149225, Austin, Texas 78714-9225.