

# OCEAN

## IN THIS ISSUE:

[Ocean Fast Facts](#)

[ISF Reminder = 10+2 Question and Answers Online](#)

[Congestion in Venezuela](#)

[Fumigation Updates! India and Indonesia](#)

[Express your freight!](#)

[Security Charges - Morocco](#)

[September Congestion Alert!](#)

[U.S. export container demand and vessel capacity](#)

[Service Consolidation in the Trans Pacific Trade means reduced capacity](#)

[2009-2010 Trans Pacific Imports = Update on the GRI and PSS](#)

[General Rate Increases \(GRIs\)](#)

## BUZZ WORD

[Forwarder's Certificate of Receipt \(FCR\)](#)

[<< Return to eNewsletter Home](#)

## Ocean Fast Facts

Before you know it, the cooling days of Fall will be upon us. In the spirit of "back to school" season, let's start September's Ocean Fast Facts with a question from the far northern latitudes.

**Which Swedish port boasted over 850,000 TEU in container volume during 2008 and is Sweden's largest port in terms of maritime freight carried annually?**

- a. Vastervik
- b. Stockholm
- c. Kristianstad
- d. Gothenburg (Göteborg)

[Click here to see the answer!](#)

**Correct Answer: d. Gothenburg (Göteborg)**

The port of Gothenburg remains the country of Sweden's most significant port in terms of sea freight volumes carried. In 2008, the port handled 862,500 TEU. The port is also one of the leading RO/RO and vehicle ports in the world and handled over 625,000 RO/RO (roll-on, roll-off) units of cargo and 271,000 vehicles during 2008 respectively.

Source: <http://www.portgot.se/prod/hamnen/qhab/dalis2b.nsf/vyPublicerade/483220E3D47EF690C12571940031C297?OpenDocument>



[⤴ Back to top](#)

## BUZZ WORD

### **Forwarder's Certificate of Receipt (FCR)**

A forwarder's certificate of receipt (FCR) is a document that is used in lieu of an ocean bill of lading when the shipper gives up/surrenders the freight at origin prior to the cargo being laden on board the vessel. FCR's are often used when shipments are on letters of credit to verify freight has been received by the forwarder to help fulfill obligations to the banking institution providing the funds on a letter of credit. Normally, a freight forwarder will charge a nominal fee to prepare this document for an exporter.

[⤴ Back to top](#)

## ISF Reminder = 10+2 Question and Answers Online

The January 26, 2009 deadline for Import Security Filing (ISF), otherwise known as "10+2," is fast approaching. Providing timely and complete 10+2 information is the responsibility of the importer or the importer's authorized agent. Failure to comply with inaccurate or incomplete information is subject to minimum fines of \$5,000 per occurrence.

United States Customs and Border Patrol has been posting 10+2 questions and answers on their

website. For more information, visit the following link:

[http://www.cbp.gov/linkhandler/cgov/trade/cargo\\_security/carriers/security\\_filing/10\\_2faq.ctt/10\\_2faq.doc#TIMING](http://www.cbp.gov/linkhandler/cgov/trade/cargo_security/carriers/security_filing/10_2faq.ctt/10_2faq.doc#TIMING)

[⤴ Back to top](#)

---

## Congestion in Venezuela

Due to the recent nationalization of Venezuelan ports on July 31, 2009, warehouses, ports and container yards have come under the authority of the Bolipuertos, or National Port Authority. During this time, the main ports in Venezuela, such as Puerto Cabello, Maracaibo, Valencia and La Guaira, have reported congestion situations. As a result, several of the main ocean carriers servicing Venezuela have enacted congestion port surcharges. Please be aware of these surcharges and contact your AIT representative to verify the specific surcharge for your cargo.

[⤴ Back to top](#)

---

## Fumigation Updates! India and Indonesia

The governments of India and Indonesia have recently provided updated requirements and reminders regarding the fumigation of wood or wooden product packaging into the month of September. Wooden products packaging for import to Indonesia is prohibited and in all cases wooden cases or pallets will have to comply with Fumigation formalities of the International Standards for Phytosanitary Measures (ISPM)-15. For India, similar restrictions apply and have been in effect since February 4, 2009. Should you have questions relating to fumigation requirements for these or other countries, please contact your AIT representative.

[⤴ Back to top](#)

---

## Express your freight - LCL Express!

AIT recently announced the launching of a new LCL program from Shenzhen/Yantian/Hong Kong and Shanghai to the United States west coast, with additional destinations soon to follow.

The product, called **LCL Express**, offers industry leading LCL transit times on dedicated weekly Cosco vessels via Los Angeles through our vendor partner, COSCOEx. Transit times of 21 to 23 days are available.

Combining direct dedicated weekly boxes with expedited delivery services to door locations throughout the Continental United States, the service offers an economic alternative to air freight, or expedited LCL solutions at a small price premium.

AIT's **LCL Express** service was introduced to supplement AIT's successful FCL Ocean Express program. Ask your AIT representative for more details and service specifics!

[⤴ Back to top](#)

---

## Security Charges - Morocco

Some lines servicing Morocco are starting to institute high security seal surcharges or seal check surcharges. Zim is among the first lines to be charging this fee. The fee will apply to all Morocco base ports.



[⤴ Back to top](#)

---

## September Congestion Alert!

At press time, certain port locations were reporting congestion. Port areas to be aware of during the month of September include:

- Venezuela Ports
- North African Ports (Tripoli / Algiers)

Please be advised that ocean carriers may temporarily enact "Port Congestion Surcharges" in times of peak volumes. As always, contact your AIT representatives with any concerns or questions.

---

## **U.S. export container demand and vessel capacity**

During late August, several ocean carriers continue to report deficit (demand) for containers at both port and inland container depots. Additionally, due to reduced capacity in several U.S. export trades, especially between the United States and Latin America (Brazil), vessel space remains at a premium. Major ocean lines are reporting high vessel utilization in the area of the high 90% range. Some vessels to Brazil and Europe have been overbooked and containers have been rolled (delayed) to later vessels.

For container availability, secondary markets such as Minneapolis, Cincinnati and Kansas City continue to be in near deficit situations; these markets experience occasional shortages and limited availability of containers.

AIT continues to recommend that exporters plan early for booking export shipments, allowing a minimum of 48 to 72 hours for standard equipment and additional time to secure special equipment including open tops or flat racks. This remains especially critical when planning within your supply chain for multiple full container load (FCL) bookings. Less than container load (LCL) booking availability remains wide open.

AIT would like to remind our customers moving special equipment to also allow for ample planning and booking time for special equipment such as refrigerated and flat rack/open top equipment. Speak with your AIT representative to address your specific container and scheduling needs.

[⤴ Back to top](#)

---

## **Service Consolidation in the Trans Pacific Trade means reduced capacity**

Several carriers have announced newly consolidated sailing strings which will ultimately result in reduced vessel space from Asia to the United States. The reduced space will result in a carrier-induced high demand which may cause recently increased rates to remain at higher levels through the peak shipping season this fall. The reduction in service is hitting some of the following core carrier groupings:

- Evergreen Line operated NUE Service (North Asia - U.S. east coast - European Pendulum). Reduced vessel/size.
- CMA-CGM/Maersk/MSK rationalizing Central and North China services to the U.S. west coast. The Yangzi loop service will be discontinued after September 7 and will be replaced with the new Bohai Rim service calling Dalian, Xingang, Shanghai WGQ, Shanghai Yangshan, Ningbo, Los Angeles, Oakland, Dalian with 5 ships of 8100 TEU capacity. Service will be weekly.
- Effective September 27, 2009 CMA CGM, MAERSK and Hyundai suspend one of their Asia/US east coast service via Panama.

According to CMA-CGM and their vessel sharing partners, the joint decision allows CMA CGM, MAERSK and Hyundai to rationalize existing services and capacity to meet market needs. These moves come at a time where historically shipping volumes peak prior to the holiday season in North America.

In a customer announcement, Philippe Thénoz, CMA-CGM Vice President North America, describes the moves as follows: "This rationalization of port coverage and slot supply corresponds to the actual trend demand observed on the Asia/US market since beginning 2009. Suspension of services is, in our mind, a temporary move. We are fairly confident that the North America trade will rebound in the near future."

Source: <http://www.joc.com/node/413106>. CMA Customer Announcements

[⤴ Back to top](#)

---

## **2009-2010 Trans Pacific Imports = Update on the GRI and PSS**

As earlier reported in the August AIT customer eNewsletter, the issue of rates as they relate to Peak Season Surcharge (PSS), General Rate Increase (GRI) and BAF were discussed for Asia to USA imports during the 2009-2010 shipping season. During August, several of the TSA carriers made effective their earlier announced August 10th GRI.



In addition to the August 10th GRI, the question remained as to whether or not a PSS would apply in

September. As of now, the carriers are proposing PSS with effective dates spread out throughout September. The TSA carriers servicing this trade announced on July 7 that they would "pursue further revenue improvement" in 2009.

As of press time, the Transpacific Stabilization Agreement (TSA) member carriers servicing the Asia to US GRI and PSS can generally be summed up as follows:

**The breakdown of the recently enacted GRI from August 10, 2009, roughly equated to the following:**

**\$ 400 per 20' container**  
**\$ 500 per 40' container**  
**\$ 565 per 40' high cube container**  
**\$ 635 per 45' container**

For existing or new rates, this "GRI" would be rolled into the base ocean freight rate and normally will not be broken out in the ocean freight rate level. Please note that these rates are subject to change based on current evolving market conditions.

Additionally, the increase that came effective on August 10 is graphically illustrated by showing 40' container rates between Hong Kong and Los Angeles for 10 weeks leading up to the GRI. This graph can be viewed at The Journal of Commerce website: <http://joc.com/marketpulse>.

The GRI represented a rate increase of over 50%. The recent GRIs apply to all modes in the tradelane: direct west coast, Minilandbridge (MLB) and All Water Service (AWS) to the United States east coast.

**The breakdown of the upcoming Peak Season Surcharge (PSS) effective either September 1, September 7 or September 14 are proposed as follows by most TSA member carriers:**

**\$ 300 per 20' container**  
**\$ 400 per 40' container**  
**\$ 450 per 40' high cube container**  
**\$ 510 per 45' container**

GRI and PSS may vary by carrier, so please speak with your AIT representative to validate the GRI and PSS level for your ocean rates. GRI and PSS are subject to change without notice.

Ocean carriers are holding relatively firm on the recent GRI to offset huge losses reported in late 2008 and into 2009. The lines are drastically reducing capacity by utilizing smaller vessels to minimize operational losses. This reduction in capacity may result in limited vessel space, so remember to book early, especially for multiple container bookings.

The TSA member list of carriers includes the following carriers: APL, Ltd., China Shipping Container Lines, CMA-CGM, COSCO Container Lines, Ltd., Evergreen Line, Hanjin Shipping Co., Ltd., Hapag Lloyd AG, Hyundai Merchant Marine Co., Ltd., Kawasaki Kisen Kaisha, Ltd. (K Line), Mediterranean Shipping Co., Nippon Yusen Kaisha (N.Y.K. Line), Orient Overseas Container Line, Inc., Yangming Marine Transport Corp. and Zim Integrated Shipping Services

Source: [http://www.tsacarriers.org/pr\\_070709.html](http://www.tsacarriers.org/pr_070709.html)

[⤴ Back to top](#)

---

## **General Rate Increases (GRIs) - a September update on global trades**

In last month's edition, the AIT eNewsletter reported that in addition to the proposed GRIs on the Trans Pacific eastbound trades, several other lanes would be impacted by GRIs. Nearly every export tradelane from the USA is impacted by GRIs, most notably the following:

- United States east, Gulf and west coast to Brazil
- United States east coast and west coast to the Far East
- Europe and Med to/from the United States
- India to the United States

These GRIs apply to FCL and LCL cargo and are subject to change. Customers should be reminded that GRIs vary by carrier and tradelane. Please contact your AIT representative to verify the rate levels in your tradelane.

[⤴ Back to top](#)

---

## **The Parting "Wave"**

The AIT Ocean Systems team would like to thank you for your continued support during August. It was quite an active month for rate requests and new customers. It seems September will also be quite active at AIT, as peak season might actually arrive because of smaller ships filling up more quickly. Enjoy the last few days of summer as the cool winds of fall fill your sails while cruising

toward the end of 2009.

**Preview October 2009 AIT Ocean eNewsletter:**

A Southern US port

If you have any questions or comments regarding the Ocean eNewsletter,  
please contact [Kevin Krause](#) from the AIT Ocean Department.

Copyright © 2009 AIT Worldwide Logistics, Inc. All Rights Reserved

[eNewsletter Home](#)

[Feedback](#)

[Unsubscribe](#)

[AIT Home](#)

# AIR

## IN THIS ISSUE:

[Signs of improvement?](#)

### Featured Airplane

[Antonov AN 225 & AN 124](#)

[<< Return to eNewsletter Home](#)

## [Signs of improvement?](#)

As a leading economic indicator of future change, the transportation industry has been closely observed by analysts and experts searching the supply chain for signs of improvement. The air freight news in August was mixed; however, if you look across the broad range of services (air, ocean, surface) and providers (carriers, integrators, forwarders, etc.), one could conclude that the good news outweighs the bad in recent industry media coverage.

### [Air Cargo Asia-Pacific - August 27, 2009:](#)

- The Association of Asia Pacific Airlines (AAPA), which represents 17 major airlines in the region, says members' international cargo traffic measured in FTKs fell 11.4 percent year-on-year in July. Cargo capacity fell 12.1 percent year-on-year, and cargo load factors were 66.9 percent.
- The European Union has published a list of nearly 4,000 companies that it says must reduce their emissions impact on the atmosphere or face a possible European airport ban. A new EU target requires that airline emissions in Europe drop by three percent by 2012, and five percent by 2013. Airlines named on the list will have to reduce emissions or face emissions trading penalties estimated to total billions of dollars. As well as Qantas, the list includes Lufthansa, Alitalia, KLM, Emirates, US Airways and United as well as manufacturers Airbus and Dassault, private business jet operators, the US Navy and the air forces of Israel and Russia.

The EU adopted its new policy earlier this year despite opposition from International Civil Aviation Organization (ICAO) member countries and the International Air Transport Association (IATA). A new European law that comes into force on January 1, 2012, (28 months away) means all airlines operating within Europe will have to limit CO2 emissions or face being barred from European airports. Under the planned emissions trading scheme, airlines must submit their plans to limit emissions by January next year or face being excluded from the initial credits on offer.

- UAE authorities say they saw an increase in air cargo business in July. In Dubai, volumes improved 1.9 percent to 160,289 tons, compared with an average global decline of 20 percent this year.

### [HKSG Group Media Ltd. - August 24, 2009:](#)

- Another cargo decline hit Cathay Pacific Airways and its sister company Dragonair in July, but it was the smallest since the beginning of the year, showing that the downturn is touching bottom, say airline officials.

### [The Journal of Commerce - August 17, 2009:](#)

- In his Editor's letter, respected industry writer Paul Page noted the supply and demand equilibrium approaching the air cargo freighter industry, "The average freight load fact - the percentage of available space that's filled - for Asia-Pacific airlines was at 66.8% in June, just a hair below the average freight load factor the carriers showed in the first half of 2008." Page went on to report, "Capacity cutting passenger airlines are doing even better, with some in the U.S. reporting load factors close to 90%."
- In the "This Week" section, Japan Airlines and NCA reported air cargo handled by these two carriers "declined by its slowest pace in eight months, providing more hope the slump in global trade has reached bottom."
- The trend of shifting air freight to ocean freight continues as highlighted in an article titled, [Air Cargo's Unfriendly Skies](#). Referring to Polo Ralph Lauren's net profit of \$76.8M in their fiscal first quarter, executives of the company attributed the "small but respectable net profit" to "shifting some of its shipping into the U.S. from air freight to ocean freight."

### Air Cargo - Asia Pacific - August 10, 2009:

- United Cargo has announced the launch of Temp Control, a service designed for healthcare and pharmaceutical products that require temperature controls and monitoring during transport. The US carrier says Temp Control offers three temperature ranges to meet customers' specific shipping needs: Freeze (-10 degrees C to -20 degrees C), Cool (+2 degrees C to +8 degrees C) and Ambient (+15 degrees C to +25 degrees C). United Cargo launched the service with Envirotainer, a provider of temperature-controlled air cargo containers.
- The nine largest US airlines lost a collective US\$1.5 billion during the second quarter despite record load factors and one US analyst - Robert Herbst - says he expects July load factors also to be high, perhaps around the 90 percent mark. "To see this kind of load factor and still lose money is very unusual compared to the industry's history," Herbst said. Herbst and other commentators say the answer is fewer US airlines competing for the same domestic passenger pot.

### The Journal of Commerce - August 10, 2009:

- Freight Index Dips - The Cass Freight Index, a closely watched barometer of U.S. cargo shipments, retreated slightly last month (July 2009) from June (2009) after two straight month-over-month gains. Amid increasing signs that the yearlong drought has bottomed out.

### Air Cargo Asia Pacific - August 6, 2009:

- Air freight forwarding in the first six months of 2009 shrank by 28 percent and sea freight forwarding fared even worse with a 32 percent drop, according to Transport Intelligence. According to TI CEO John Manners-Bell, indicators both within the market and in the wider economy are mixed. "We believe that it will be at least 2012 before the market returns to its 2008 value," he said.
- US carrier United Airlines' airfreight tonnage grew five percent in July compared to the previous month, June 2009. Freight still fell 17 percent compared to July 2008, but the traffic, measured in freight ton miles flown, was the most United has recorded since last November. Overall, United's belly freight business is down 28.3 percent for the year to end July and cargo revenues down 46.2 percent in the first six months of 2009, compared to the same period a year ago, to US\$245 million.

### Air Cargo World - August 2009:

- UPS will reduce airline carbon emissions by a total of 42% from a 1990 baseline by 2020. The company intends to achieve this goal by investing in more fuel efficient aircraft types and engines...and the introduction of bio-fuels.

[⤴ Back to top](#)

## Featured Airplane

*As international freight forwarders, AIT Worldwide Logistics often receives charter aircraft requests for customers potentially requiring significantly large pieces of freight to fly to destination. Whether it is a mobile command post for an insurance company, military equipment to a conflict overseas, or long pipes for an oil well, when time is of the essence, regardless of the cost, air freight is sometimes the only option.*

*Flying freight is only limited to the size of available aircraft, and the largest two airplanes in the world have the same first name. The largest aircraft ever built, and there is only one of those operational, is the AN 225 Mriya, the other is the AN 124 Ruslan. This month we feature these two work-horses of the sky.*

### [Antonov AN 225 Mriya](#)

The **An-225 Mriya** is a strategic airlift transport aircraft which was built by the Antonov Design Bureau, and is the largest fixed-wing aircraft ever built. The design, built to transport the Buran orbiter, was an enlargement of the successful An-124 Ruslan. Mriya means "Dream" (Inspiration) in Ukrainian.

The Antonov An-225 is commercially available for flying any over-sized payload due to the unique size of its cargo deck. Currently there is only one aircraft operating but a second mothballed airframe is being reconditioned and is scheduled for completion around 2010.



### Design & Development

The An-225 was designed for the Soviet space program as a replacement for the Myasishchev VM-T. Able to airlift the Energia rocket's boosters and the Buran space shuttle, its mission and objectives are almost identical to that of the United States' Shuttle Carrier Aircraft.

The An-225 first flew on 21 December 1988. Two aircraft were ordered, but only one An-225 (tail number UR-82060) is currently in service. It is commercially available for carrying ultra-heavy and oversize freight, up to 250,000 kg (550,000 lb) internally or 200,000 kg (440,000 lb) on the upper fuselage. Cargo on the upper fuselage can be 70 m long.

A second An-225 was partially built during the late 1980s for use by the Soviet space program. Following the collapse of the Soviet Union in 1990 and the cancellation of the Buran space program, the lone operational An-225 was placed in storage.

The An-225 is an extension of Antonov's earlier An-124 (see below). To meet the needs of its new role, fuselage barrel extensions were added fore and aft of the wings, which received root extensions. Two more Ivchenko Progress D-18T turbofan engines were added to the new wing roots, bringing the total to six, and an increased-capacity landing gear system with 32 wheels was designed. The twin tail with an oversized horizontal stabilizer is essential in order to enable the plane to carry very large and heavy external loads, which would otherwise disturb the aerodynamics of a conventional tail.



An-225 main landing gear

With a maximum gross weight of 600 tonnes (1,300,000 lb), the An-225 remains as the world's heaviest and largest aircraft, being even bigger than the current double-decker Airbus A380 even though Airbus plans to pass their current maximum landing weight with 591.7 tons.

By 2000, it had become apparent that the demand for the An-225 had exceeded the airline's booking capacity, and in September 2006, the decision was made to complete the second An-225. Assembly is scheduled to be completed in 2010.

### Antonov AN 124 Ruslan

The **Antonov An-124 Ruslan** was the largest airplane in production until the Antonov An-225 was built. During development it was known as the An-400 and An-40 in the West, and it flew for the first time in 1982. Civil certification was issued by the CIS Interstate Aviation Committee on 30 December 1992. Over forty are currently in service (26 civilian models with airlines and 10 firm orders as of August 2006) and 20 were in commercial use in 1998 in Russia, Ukraine, the United Arab Emirates and Libya.



### Design & Development

Physically, the An-124 is similar to the American Lockheed C-5 Galaxy, but has a 25% larger payload, and in lieu of the Galaxy's T-tail, the An-124 uses a conventional empennage, similar in design to that of the Boeing 747. An-124s have been used to carry locomotives, yachts, aircraft fuselages, and a variety of other oversized cargoes. The An-124 is able to kneel to allow easier front loading. Up to 150 tonnes of cargo can be carried in a military An-124; it can also carry 88 passengers in an upper deck behind the wing centre section. However, due to limited

pressurization in the main cargo compartment (3.57 PSI), it seldom carries paratroopers.

Since the type was initially designed for only occasional military use, original An-124s were built with a projected service life of 7,500 flight hours with possibility for extension. However many airframes have flown more than 15,000 flight hours. In response to complaints by commercial users, that aircraft built after 2000 (the An-124-100) have an improved service life of 24,000 hours, and older airframes are being upgraded to this standard. Additional retrofitting is being performed to extend its service life to 40,000 flight hours.



Two Ivchenko Progress D-18T Series 4S powerplants

## Significant activities

- In September 2001, carrying a record load of 253.82 tonnes of cargo, the An-225 flew at an altitude of two kilometers (6,500 feet) over a closed circuit of 1,000 km (620 mi) at a speed of 763.2 kilometres per hour (474.2 mph).
- In November 2004, FAI placed the An-225 in the Guinness Book of Records for its 240 records.
- On May 1987, an An-124 set a world record, covering the distance of 20,151 km (10,881 nmi) without refuelling. The flight took 25 hours and 30 minutes; the takeoff weight was 455,000 kg. The previous record was held by B-52H (18,245 km).
- In July 1985, an An-124 took 171,219 kg (377,473 lb) of cargo to an altitude of 10,750 m (35,270 ft).
- An An-124 was used to transport the Obelisk of Axum back to its native homeland of Ethiopia from Rome in April 2005. The shipment was done in three trips, each carrying a third of the monument's 160 tons and 24-metre (78 ft) length. Modifications were done to the airstrip at Axum in order to accommodate such a large aircraft.
- A Volga-Dnepr An-124 delivered a whale from Nice (France) to Japan; another flight was to deliver an elephant from Moscow to Taiwan.
- Rolls-Royce contracts the Antonov AN-124 to transport the Trent family engines to and from their test facilities worldwide.
- Lockheed Martin contracts the An-124 to transport the Atlas V launch vehicle from its facilities near Denver to Cape Canaveral. Two flights are required to transfer each launch vehicle (one for the Atlas V main booster stage and another for the Centaur upper stage).

[^ Back to top](#)

If you have any questions or comments regarding the Air eNewsletter, please contact [Joseph Hoban](#) from the AIT Air Department.

# COMPLIANCE

## IN THIS ISSUE:

[ISF Outreach Event Schedule](#)

[ISF Bond Guidelines](#)

[CBP Publishes ISF Brochure](#)

[Census Eliminates Requirement of SSN to File](#)

[National Food Safety Education Month](#)

[Food Safety Enhancement Act of 2009](#)

[Link of the Month: CBP Trade Outreach site](#)

[<< Return to eNewsletter Home](#)

## ISF Outreach Event Schedule

It is recommended that everyone involved with the importation of ocean freight should attend one of the Importer Security Filing (ISF, "10 + 2") outreach events. During the events that were held in August, Customs advised that there will be additional outlets for accessing this information. Customs plans to videotape the September 29 event in Washington DC, which will be available on their website. Obviously, Customs hopes to have the event well attended by parties with questions about ISF and its implementation.

Events were held in the following cities in August 2009:

Philadelphia, PA - Wednesday, August 19, 2009  
Seattle/Tacoma, WA - Wednesday, August 19, 2009  
Boston, MA - Wednesday, August 26, 2009  
Houston, TX - Wednesday, August 26, 2009

**Events are scheduled in the following cities in September 2009:**

Baltimore, MD - Wednesday, September 02, 2009  
Long Beach, CA - Wednesday, September 02, 2009  
Miami, FL - Wednesday, September 09, 2009  
Charleston, SC - Wednesday, September 09, 2009  
Chicago, IL - Wednesday, September 23, 2009  
Oakland/San Francisco, CA - Wednesday, September 23, 2009  
Washington, DC - Tuesday, September 29, 2009  
Norfolk, VA - Wednesday, September 30, 2009  
New York, NY - Wednesday, September 30, 2009

Registration for upcoming events is available through links presented in the online notice. Customs encourages interested parties to pre-register, as space is limited. (Editor's note: the LA meeting was filled within a few days.)

The full text of the notice can be accessed online:

[http://www.cbp.gov/xp/cgov/trade/trade\\_outreach/09\\_outreach\\_schl.xml](http://www.cbp.gov/xp/cgov/trade/trade_outreach/09_outreach_schl.xml)

[⤴ Back to top](#)

---

## ISF Bond Guidelines

As of press time, the industry is still waiting for the ISF bond guidelines to be published by CBP. Latest word from Customs is that they are expected to be finalized in September.

[⤴ Back to top](#)

---

## CBP Publishes ISF Brochure

In August, CBP published an informational brochure titled, "Importer Security Filing and Additional Carrier Requirements." The brochure provides an overview of ISF and links to additional information.

The CBP brochure can be accessed online:

[http://www.cbp.gov/linkhandler/cgov/newsroom/publications/trade/import\\_sf\\_carry.ctt/import\\_sf\\_carry.pdf](http://www.cbp.gov/linkhandler/cgov/newsroom/publications/trade/import_sf_carry.ctt/import_sf_carry.pdf)

[⤴ Back to top](#)

---

## Census Eliminates Requirement of SSN to File

An interim final rule in the August 05, 2009 edition of the Federal Register will "eliminate the Social Security Number (SSN) as an Identification Number in the Automated Export System (AES)."



The interim final rule is effective September 4, 2009, with implementation of its provisions on December 3, 2009.

Prior to this amendment to the Foreign Trade Regulations (FTR), either an EIN (Employer Identification Number - available to businesses and individuals), DUNS (Dun and Bradstreet Number - available to business entities only), or SSN (available to individuals) could be entered when reporting electronic export information via AES or AESDirect. With the implementation of this amendment to the FTR, all U.S. Principal Parties in Interest (USPPI) or U.S. authorized agents who reside or have an office located in the U.S. must report either an EIN or DUNS. The rule states that "former SSN filers who want to use a DUNS rather than an EIN for identification purposes, must first obtain an EIN from the [Internal Revenue Service's website] and apply to Dun & Bradstreet for a DUNS."

The full text of the Federal Register Notice can be accessed online:

<http://edocket.access.gpo.gov/2009/E9-18728.htm>

or:

<http://edocket.access.gpo.gov/2009/pdf/E9-18728.pdf>

[⤴ Back to top](#)

---

## **National Food Safety Education Month**

September has been designated National Food Safety Education Month.

The government's Food Safety webpage has links to information on general food safety, on specific commodities, and for specific groups.

There is also a link to the Food Safety A to Z reference guide.

The government's Food Safety website can be accessed:

<http://www.foodsafety.gov/~fsg/september.html>



[⤴ Back to top](#)

---

## **Food Safety Enhancement Act of 2009**

The Food Safety Enhancement Act of 2009 (H.R. 2749) has moved from the House of Representatives to the Senate.

This bill will require all facilities and importers to register and pay an annual fee.

A few of the additional food safety activities that this registration fee is expected to fund include the following:

- Increased inspections of facilities;
- Creation of a fast-track import process for food meeting security standards;
- Greater coordination between international, federal, state and local agencies;
- Expansion of FDA's laboratory testing capability.

A general summary of H.R. 2749 in the form that it left the House can be accessed: [http://energycommerce.house.gov/Press\\_111/20090729/hr2749\\_floorsummary.pdf](http://energycommerce.house.gov/Press_111/20090729/hr2749_floorsummary.pdf)

And a more detailed summary:

[http://energycommerce.house.gov/Press\\_111/20090729/hr2749\\_sectionssummary.pdf](http://energycommerce.house.gov/Press_111/20090729/hr2749_sectionssummary.pdf)

The version of the Act as adopted by the House can be accessed:

[http://www.rules.house.gov/111/SpecialRules/hr2749/111\\_substitute\\_hr2749.pdf](http://www.rules.house.gov/111/SpecialRules/hr2749/111_substitute_hr2749.pdf)

[⤴ Back to top](#)

---

## **Link of the Month: CBP Trade Outreach site**

An excellent source of links to topics and information from CBP:

[http://www.cbp.gov/xp/cgov/trade/trade\\_outreach/](http://www.cbp.gov/xp/cgov/trade/trade_outreach/)

[⤴ Back to top](#)

## GOING GREEN

### IN THIS ISSUE:

[Shippers, EPA to Create Rating System for Port Trucks](#)

[Baltimore Port Wins \\$3.5 Million EPA Grant](#)

[Top 25 Green Cities](#)

[<< Return to eNewsletter Home](#)

### **Shippers, EPA to Create Rating System for Port Trucks**

#### **Coalition for Responsible Transportation to recommend air quality benchmarks**

The Environmental Protection Agency is forming a partnership with shippers, carriers and cargo consolidators to develop a national certification program and rating system for port drayage trucks.

The Coalition for Responsible Transportation, which represents retailers, home improvement stores and other direct importers, shipping lines, trucking companies and third-party logistics providers, is partnering with EPA's SmartWay Transport Program. EPA launched the SmartWay program in 2004 to develop cleaner, more fuel-efficient transportation options. SmartWay-certified programs result in significant and measurable improvements in air quality and greenhouse gas emissions.

A coalition working group was formed to provide recommendations to the federal EPA that will result in a national framework to measure emissions from harbor drayage trucks and benchmarks for air quality improvements at U.S. ports.

Initial data will be provided from the truck fleets operating in Los Angeles-Long Beach under the clean-trucks program that has been in effect in Southern California since Oct. 1, 2008.

"The goal is to ultimately use the model developed in Southern California as a template for a SmartWay port drayage rating system that would be used on a national level, and could be individually tailored to major seaports across the country," the coalition stated in a press release.

The coalition has participated in the Los Angeles-Long Beach clean-trucks program since last fall. That program has resulted in the introduction of more than 5,000 clean diesel and alternative-fuel trucks into the harbor and the scrapping of hundreds of old, polluting trucks over the past 11 months.

Source: The Journal of Commerce online: <http://www.joc.com/node/413118>

[⤴ Back to top](#)

### **Baltimore Port Wins \$3.5 Million EPA Grant**

#### **Stimulus funds to cut diesel emissions will help retrofit or replace trucks, tugs, locomotives**

The Environmental Protection Agency awarded the Port of Baltimore \$3.5 million in stimulus funds to revamp or replace cargo equipment, under a program aimed at curbing diesel emissions.

The money will help "with the installation of clean-diesel technology in 142 pieces of diesel-powered equipment used for port operations," the EPA said.

The Recovery Act gave the EPA \$300 million to spread around the country in grants to cut diesel emissions in a wide range of projects covering city bus fleets, anti-idling facilities for cargo trucks, freight and passenger rail equipment and for ports.

Baltimore's grant came out of a \$16.1 million subset for which the EPA's mid-Atlantic regional office handled 40 grant applications, so the port got about a fifth of that money.

Its plan would affect two harbor tugboats, seven locomotives, 50 short haul drayage trucks and 83 units of cargo handling equipment, using a variety of technological fixes that can cut diesel emissions up to 90 percent.

The EPA said the port's plan includes repowering nine diesel engines, replacing 43 vehicles and pieces of cargo handling equipment, plus installing 83 exhaust controls and seven anti-idling devices. Those idle controls can shut down railcar switching locomotives and prevent them from just chugging



out more exhaust when they are waiting long periods for their next assignment.

Source: Journal of Commerce online: <http://www.joc.com/node/413031>

[⤴ Back to top](#)

---

## **Top 25 Green Cities**

In recognition of the efforts of cities across the country to provide energy-efficient and healthy living spaces, the Green Guide presents the environmental leaders, those cities whose green achievements set the standard for others. As *The New York Times* has reported, in the absence of federal direction, cities across the country are taking environmental stewardship into their own hands and reducing their burden on the planet.

We asked cities with populations over 100,000 to complete our survey and, in combination with environmental data we gathered from government sources, scored cities on an eleven-point scale. Our results are below:

### **1. Eugene, OR**

**(score 9.0375, pop. 137,893)**

- Sustainable business incubator
- Renewable energy supplying 85% of city's power
- Extensive wetlands program

### **2. Austin, TX**

**(score 8.5325, pop. 656,562)**

- Green Builder program
- Smart growth initiative
- Committed to solar power

### **3. Portland, OR**

**(score 8.24, pop. 529,121)**

- Green building
- Excellent public transport
- Smart growth

### **4. St. Paul, MN**

**(score 7.805, pop. 287,151)**

- Green space makes up a quarter of urban area
- Significant greenhouse gas reductions
- Affordable housing

### **5. Santa Rosa, CA**

**(score 7.785, pop. 147,595)**

- Green building program
- Clean air and water
- Bicycle paths and lanes

### **6. Oakland, CA**

**(score 7.3675, pop. 399,484)**

- Building local food production
- Green building ordinance
- Public transport

### **14. Irvine, CA**

**(score 6.72, pop. 143,072)**

- Comprehensive green building program
- Smoking ban
- Pedestrian oriented

### **15. Cambridge, MA**

**(score 6.72, pop. 101,355)**

- High rate of public transport use
- Green design
- High percentage of green space

### **16. Anchorage, AK**

**(score 6.705, pop. 260,283)**

- Excellent air and water quality
- Smoking ban
- High public health

### **17. Syracuse, NY**

**(score 6.66, pop. 147,306)**

- Good air
- Smoking ban
- Commitment to reduce greenhouse gases

### **18. San Francisco, CA**

**(score 6.6, pop. 776,733)**

- Municipal composting
- Green design
- High percentage of renewable energy use
- Very high public transport use

### **19. Minneapolis, MN**

**(score 6.58, pop. 382,618)**

- City-specific minimum wage
- Smoking ban
- High percentage of renewable biomass energy

**7. Berkeley, CA**  
(score 7.285, pop. 102,743)

- Green building requirements for municipal construction
- Well used public transport system
- Community gardens

**8. Honolulu, HI**  
(score 7.055, pop. 371,657)

- Clean air and water
- Biomass power generation
- Green building standards

**9. Huntsville, AL**  
(score 7.035, pop. 158,216)

- Green space makes up one-third of urban area
- High public transport use
- Excellent public education program

**10. Denver, CO**  
(score 7.0325, pop. 554,636)

- Greenprint Denver, sustainability initiative
- Large hybrid municipal fleet and nation's largest light rail system
- Clean water and access to wilderness

**11. Boston, MA**  
(score 6.99, pop. 589,141)

- Green building
- Excellent public transport
- Smoking ban

**12. Lexington, KY**  
(score 6.785, pop. 260,512)

- Comprehensive growth management plan
- Clean air
- Smoking ban

**13. Springfield, IL**  
(score 6.7225, pop. 111,454)

- Clean air and good water
- Green design
- Green spaces

**20. Milwaukee, WI**  
(score 6.5125, pop. 596,974)

- Green housing development
- Green space

**21. Rochester, NY**  
(score 6.43, pop. 219,773)

- High percentage of renewable energy
- Clean air
- Smoking ban

**22. Albuquerque, NM**  
(score 6.3475, pop. 484,607)

- Clean water
- Smoking ban
- Wind power

**23. Ann Arbor, MI**  
(score 6.2875, pop. 114,024)

- High percentage of public transport and bicycle commuters
- High yard waste recover
- Green space

**24. Seattle, WA**  
(score 6.115, pop. 563,374)

- Large number of green buildings
- Very high percentage of hydroelectric power use
- Clean air and smoking ban

**25. Kansas City, MO**  
(score 6.055, pop. 441,545)

- Clean water
- City specific minimum wage
- U.S. Mayors Climate Protection signatory



Source: <http://www.thegreenguide.com/travel-transportation/top-25-green-cities/1>

[^ Back to top](#)

---

If you have any questions or comments regarding the Going Green eNewsletter, please contact the [AIT Marketing Department](#).

## PARTNER NEWS

### IN THIS ISSUE:

[Closing the Gap](#)

[International Agents Service Center \(IASC\)](#)

[Sales Lead and Routing Order Application](#)

[International Agents Directory Blackberry Style](#)

[<< Return to eNewsletter Home](#)

### Closing the Gap



#### **International Agent Connectivity**

Systems integration is certainly not a revolutionary concept - its ability to pool resources in a collaborative real-time web environment enhances relationship-building and leverages information-sharing among international partners.

AIT's suite of "homegrown" IT products is designed to integrate with our international agent community and their IT systems, giving them the ability to rate shop for the lowest-cost transportation option, gain real-time tracking and shipment visibility information and obtain proactive notification upon delivery or change in status. Not only does our software help our agents maintain better control over their transactions, it also monitors the execution of those tasks and enables them to control their costs. We strive to develop an open line of communication with our partners, exchange local market intelligence and provide complete agent visibility to our USA staff.

[⤴ Back to top](#)

---

### International Agents Service Center (IASC)

This web-based tool was developed to enhance the communication and data flow between AIT's operations and our global partner's operation, speed up transaction time and limit misinformation.

The IASC enables our international agents to provide us with an array of important shipment information directly into our operating system during non-working hours. Our partners can use this application to create shipments, update status information, and approve invoices without any assistance or involvement from an AIT operations or accounting staff.

From an accounting standpoint, the IASC nearly eliminates the age-old headache of "invoice disputes." In the accounting section of the application, our partners can create, approve or reject invoices and debit notes. This allows for all parties to accept or reject invoice amounts prior to or during shipment transit. Once a hard or electronic copy of the invoice is received, it can be processed by the accounting department without any interruption, as the document has already been pre-approved. A significant byproduct of this process is we are able to pay our agents sooner, which is an important element in being a solvent business partner.

The system has just been upgraded to accept EDI transmissions from our international partners, which limit double data entry on their part. Once they create a new shipment or update the status on a current shipment in their system, it uploads the information into the AIT operating system for real time updates.

Another feature of the IASC is the online quoting tool, which enables our international agents to obtain origin fees, destination fees and all ground transportation costs within the 48 states. Our partners have 24/7 direct access to AIT's USA domestic infrastructure costs. In conjunction with our air and ocean department's rating tools and standard fee schedule, our partners can complete virtually any type of air or ocean quote, no matter what the incoterm.

[⤴ Back to top](#)

## Sales Lead and Routing Order Application

Exchanging local marketing intelligence is essential for any international partnership to flourish. Selling on both sides of the ocean is critical for lane segment development and generating sales leads for your partner is a fundamental foundation for a successful partnership.

With the help of some very talented employees in AIT's IT department, we have developed a dynamic, efficient and productive tool to manage sales lead and routing orders between AIT and its international partner community.

This platform is used by all AIT sales representatives, sales managers and international partners to exchange, track and manage sales leads between the USA and their respective countries.

The SLRO is a versatile web-based solution, as it covers all aspects of sales lead management and addresses the complete sales lead cycle from lead creation to ultimately closing the sale. The system is an interactive application between both parties involved in a lead - essentially, it contains all shipper and consignee information, competitor and commodity descriptions and additional details that make up a sales lead.

One of the largest shortcomings of any sales lead program is that a good hot lead quickly becomes an old and stale lead if not actioned in a timely manner. We address this "aging process" by establishing event triggers within the SLRO application. These event triggers manage the sales lead process in terms of event milestones from an aging perspective. We have established milestones in the form of status updates, which track the progress of a sales lead through the sales cycle. If the milestones are not met in a timely manner, the system will generate e-mail reminders to the sales staff. If the milestone remains incomplete, an e-mail escalation process is implemented. The process consists of reminders sent every 24 hours to the sales representative and then to their direct report until the milestone has been completed.

The e-mail reminders act as encouragement for representatives and international partners to complete their lead obligation and demonstrate their acknowledgment of lead ownership and accountability.

AIT and our international agents have benefited greatly from the exchange of marketing intelligence, which demonstrates true partnership.

[↗ Back to top](#)

---

## International Agents Directory Blackberry Style

As a sales representative in the "old days," I would carry around my "International Agents Directory" which listed 190 of our agents in all the countries we serviced. The directory was typically between 50 - 60 pages and was often out of date even before it was printed, as many of the agents had changed in the meantime.



In an effort to give sales representatives and management teams complete visibility to our international agent community, AIT has developed a Blackberry support tool which enables our staff to have the most up to date accurate information at their fingertips.

This tool allows all of AIT's sales representatives to advise their customers of the most current agent information anywhere in the world. They can supply detailed e-mail, address, phone and contact information on the run or while with a customer directly from their Blackberry.

In two of these examples, a single theme emerges - AIT is being proactive by offering our international partners a suite of software solutions that will enhance our partnership and make both companies more competitive in the marketplace, ultimately offering better global service solutions to our customers. In the last example, we strive to provide the best quality of information to our front line sales staff so our customers can benefit from having our true partners' corporate identity and contact coordinates.

AIT will remain on the cutting edge of agent integration in efforts to continue promoting and cultivating true international partnerships.

[↗ Back to top](#)

---

If you have any questions or comments regarding the Partner News eNewsletter, please contact [Larry Georgen](#), Director Global Network.

CELEBRATING



YEARS IN BUSINESS



we deliver.

800-669-4AIT (4248)  
www.aitworldwide.com



# Going global

How globalization has transformed the role of logistics providers

**A**s international trade continues to surge and transcend national boundaries, it's become nearly impossible to manufacture, sell or consume a product that hasn't resulted from a global logistics solution at some point in its creation.

Because globalization has given way to diverse customer demands, countless overseas opportunities and fierce global competition, today's logistics companies can no longer specialize in just a few select areas within the international marketplace.

"Ten and 15 years ago, logistics suppliers could quite comfortably become niche players, with a focus on either importing or exporting," says Franco Lasagni, managing director of international at AIT Worldwide Logistics. "Globalization has pioneered many breakthroughs in the ways in which logistics providers conduct their commerce activities with networks of suppliers, manufacturers, distribution centers, customers and partners across the global supply chain."

*Smart Business* spoke with Lasagni about how globalization has transformed the roles, supply chain relationships and business models of today's logistics providers.

## What are the risks and challenges involved in doing business on a global scale?

There are several key economical concerns involved. Longer response times, cultural barriers, foreign documentation, different time zones and lack of critical infrastructures necessary for data exchange are critical factors that can impede on expanding your reach into the global logistics marketplace.

However, geopolitical barriers are the biggest challenge of all. With the exception of Europe, the rest of the world is still affected by a much higher level of bureaucracy. Protectionism, which can take the form of tariffs, subsidies, import and export regulations, and anti-dumping legislation, has the potential to restrain trade and is without a doubt the largest detriment to foreign trade practices.

These challenges can best be overcome by selecting solvent overseas agents who reflect your business ethics and core competencies while acting as an extension of your company in establishing a local presence. Together, these partnerships work to innovate, integrate and sell not just a



**Franco Lasagni**  
Managing director of international  
AIT Worldwide Logistics

service to customers, but a transportation solution.

## How has the role of a global logistics provider changed in recent years?

Only a few years ago, steamship lines and air carriers were the high-end service providers of supply chain solutions, whereas logistics providers facilitated shipping transactions as brokers. Compared to today's environment, the role of freight forwarders was relatively simple and straightforward.

Freight forwarders began evolving into more diverse and sophisticated roles when transportation deregulation hit the marketplace. Deregulation first affected air carriers, then steamship lines, which found the emergence of new companies and service options unfavorable.

To respond to the overwhelming new competition, many had to take drastic steps in tailoring their existing business plans. Airlines began cutting costs and services as they struggled to remain profitable. A similar scenario applied to most steamship lines. Thus, interactions with the entire supply chain community and its customers were transformed.

As the industry scrambled to fit the mar-

ket and serve its new needs, logistics providers recognized, redefined and embraced their new roles in the global marketplace as consultants to customers. Because of the increasingly collaborative and consultative nature of our business, the trend ever since has been one of improved efficiency in which goods are manufactured and services are rendered, requiring more of a customer-driven marketing model on the part of global logistics service providers.

## What other globalization trends have placed increasing importance on logistics providers?

Several developments have contributed to the exponential increase in world commerce that the industry has experienced. First and foremost, the concept of global logistics wouldn't be a remote possibility without the affordable and user-friendly IT solutions that make integrated tracking and tracing systems and real-time global connectivity part of the valuable services provided to customers by logistics leaders.

The realities and effects of a post-Sept. 11 world also placed a permanent emphasis on the industry's role within the international arena. Enhanced security measures and compliance requirements exacerbated the costs and processes of doing business globally and created red tape across the world's transportation systems, triggering an immediate need for services.

Logistics leaders stepped in to educate, inform and assist customers on complicated customs clearance documentation, duties, taxes and various other issues that once had very little to do with transportation but have since become imperative aspects in building a secure and cost-effective supply chain.

The growth in logistics has also been based on the proliferation of trade lanes and investments in key markets, such as Europe, the Pacific Rim and South America, and in emerging regions, such as the Middle East.

Additionally, the marketplace has trended toward an increasing presence of third-party providers, who integrate warehousing and inventory management activities to store and ship their customers' goods. <<

**FRANCO LASAGNI** is managing director of international for AIT Worldwide Logistics, Inc, headquartered in Itasca, Ill. Spanning numerous nationwide locations and an ever-increasing network of international partnerships, the global transportation and logistics provider delivers tailored solutions for a wide variety of vertical markets and industries. Reach him at [flasagni@aitworldwide.com](mailto:flasagni@aitworldwide.com) or (800) 669-4AIT.

Insights **Logistics** is brought to you by AIT Worldwide Logistics, Inc.