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IMPORTANT REMINDER: Incoterms 2010

In 1936, the International Chamber of Commerce (ICC) first introduced a set of trade terms internationally accepted by governments, legal authorities and the logistics industry called Incoterms. Used to define the responsibilities of buyers and sellers with respect to the delivery of goods in domestic and global trade, the rules have been periodically revised in response to changes in global business practices.



As of January 1, 2011, the updated version of the international commercial terms, Incoterms 2010, goes into effect. Now in its eighth edition, the revised list contains a series of changes, including a reduction in the number of terms from 13 to 11.

The ICC hasn't made modifications to the Incoterms since 2000.

WHAT HAS CHANGED?

DAF (Delivered at Frontier), DES (Delivered Ex Ship), DEQ (Delivered Ex Quay), and DDU (Delivered Duty Unpaid) designations have been ELIMINATED.

DAT (Delivered at Terminal) and DAP (Delivered at Place) have been INTRODUCED to replace the 4 terms listed above.

Delivered at Place means the shipper is responsible up to the place of destination for unloading arriving on any mode. The shipper assumes responsibility in bringing the goods to the named place. DAP requires the shipper to clear the goods for export, where applicable. The shipper has no obligation to clear the goods for import, pay any import duty or carry out import customs procedures.

The term **Delivered at Terminal** is used no matter the mode selected and may also be used where more than one mode of transport is incorporated.

The shipper is responsible for unloading the goods upon arrival and placed at the named terminal, port or place of destination within an agreed period. The shipper is also responsible for bringing the goods to and unloading at the terminal of the named port or place of destination.

The term terminal includes warehouse, container yard or road, rail or air cargo terminal.

The updated Incoterms are intended to better take into account and reflect the roles cargo security, supply chain collaboration and electronic data interchange now play in international trade.

The 11 Incoterms have been reclassified into two categories:

1. Rules for any mode or modes of transport;
2. Rules for sea and inland waterway transport

1. RULES FOR ANY MODE OR MODES OF TRANSPORT

The first class includes seven (7) Incoterms 2010 rules that can be used regardless of transportation mode and whether or not more than one mode is employed. They can be applied even when there is no maritime transport involved at all. It is important to remember that these rules CAN be used in cases where a ship is used for part of the carriage.

EXW	EX WORKS
FCA	FREE CARRIER
CPT	CARRIAGE PAID TO
CIP	CARRIAGE AND INSURANCE PAID TO
*DAT	DELIVERED AT TERMINAL
*DAP	DELIVERED AT PLACE
DDP	DELIVERED DUTY PAID

2. RULES FOR SEA AND INLAND WATERWAY TRANSPORT

The second class includes the point of delivery and the place to which the goods are carried to the buyer at BOTH ports, hence "sea and inland waterway" rules.

FAS	FREE ALONGSIDE SHIP
FOB	FREE ON BOARD
CFR	COST AND FREIGHT
CIF	COST INSURANCE AND FREIGHT

Please contact your AIT representative with any additional questions or concerns regarding the 2010 Incoterms.

A [2010 Incoterms overview \(PDF\)](#) is now available on AIT's website.

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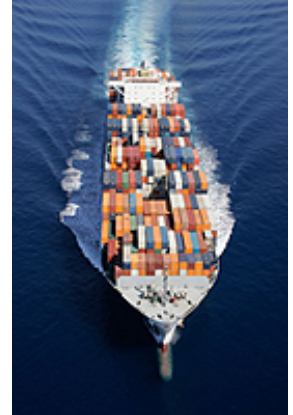
[Container carrier turnaround](#)

A historically weak 2009 is turning into a historically strong 2010 for ocean container carriers. After losing a record \$15 billion in last year's recessionary debacle, carriers are riding a wave of strong demand and freight rate increases, resulting in what is shaping up to be a record profit of \$13 billion this year, according to predictions by Paris based research analyst AXS-Alphaliner. Carriers enjoyed their best quarter ever, with estimated combined third quarter operating profit of \$6 billion, more than offsetting operating losses of about \$4 billion in the same period last year.

"The recovery has proven to be swift, and all major carriers will end this year on a profitable note," said Alphaliner, which surveyed 18 major carriers that publish financial results. They earned an average of \$560 per transported TEU during the third quarter. The average operating margin reached 15.6% in the quarter, led by Taiwan's Yang Ming at 21% and France's CMA CGM with an estimated 21%. The only carrier to lose revenue on its container shipping operations in the third quarter was Malaysia's MISC Berhad.

The good times may not last. A report from the separate SeaAxis research group says ocean carriers face steep over capacity that will peak at the end of the first quarter and only gradually improve through 2011. Capacity will grow 10% next year after expanding 17% in 2010, the group said.

Source: JOC, 12/2010



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[Peak season picks up for westbound trans-Pacific exports](#)

The peak season is already here in the westbound trans-Pacific, and shippers and carriers are feeling strains in the market even as confidence in shipping volume grows. Exports to Asia were just beginning to pick up in the month of December after the traditionally slow summer months in the westbound trade. A weak U.S. dollar should spur exports of agricultural products such as cotton and grain and industrial commodities such as scrap paper and metal.

Carriers on November 1 tried to implement a general rate increase westbound, but it didn't hold in most cases, said Hayden Swofford, independent administrator of the Pacific Northwest Asia Shippers Association. Exporters said there were suggestions the Westbound Transpacific Stabilization Agreement could propose a general rate increase effective Feb 1, but WTSA spokesman Niels Erich said the lines would review current market conditions and "nothing is firm at this point." Capacity is not an issue for exporters, he said, and shouldn't be in the next couple of months.

Equipment is another story, however, as exporters in the midwest and west Texas report containers were already more difficult to find. "Any problems now are an equipment issue, not a vessel capacity issue," Swofford said.

If westbound rates rise, however, carriers will have an incentive to help exporters reposition empty containers from urban population centers to the mills and warehouses that generate exports. That appears to be happening, and it could develop further over the next few years, said Peter Friedmann, executive director of the Agriculture Transportation Coalition. "I believe that over time export rates will creep up and carriers may make deployment decisions based on the westbound trade," he said.

Source: JOC, 12/2010

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Eastbound market – hardly a slack season

With demand unusually strong, ocean carriers are keeping capacity in place and preparing for a new kind of peak shipping season.

Carriers traditionally suspend eastbound Pacific lane services and lower freight rates during the winter slack season, but this year the calendar is proving an unreliable measure of the market. Shipping lines in December are keeping capacity constant and have even begun announcing peak season surcharges to take effect on January 1. Even as container lines project a pullback in volume ahead of the Feb 3rd Chinese New Year celebration, many industry executives expect carriers to implement only selective capacity cuts for several weeks until volume picks up again in March. Carriers won't pull ships because of the volume of cargo that currently exists in the market.

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REMINDER: The European Union Regulation "24-hour" rule is in effect!

The regulation, known as "European Union Regulation 1875/2006 – Advance Manifest" will affect all vessels bound for EU countries loading on or after December 31, 2010.

Essentially, the rule requires all ocean carriers to submit a list of legislation-defined data elements to EU Customs at a vessel's first EU port of call.

Ocean carriers will be held responsible for the timely electronic submission of the Entry Summary Declaration (ENS):



- At least 24 hours prior to the start of the loading of vessels bound for an EU port (Deepsea).
- Latest 2 hours prior to vessels arrival at the first EU port (Shortsea).

The regulation is applicable to all import cargo to or via any EU port as well as FROB (Foreign Cargo Remaining on Board); cargo which is discharged in a port outside the EU after the vessel has called at an EU port.

To comply with this regulation, AIT requests our customers to provide complete and accurate shipping instructions before the closing time, which will be the same as currently applied for other countries that require Advance Manifest such as USA, Canada or Mexico.

The mandatory data elements for an Entry Summary Declaration, which must be included in your shipping instructions, are as follows:

- Full name and address (including postal code) of shipper and consignee
- Full name and address (including postal code) of notify party where goods are carried under a negotiable "to order" B/L
- Container number
- Acceptable goods description in line with the EU guidelines on acceptable and unacceptable terms for the description of goods for exit and entry summary declarations (not necessary if the 4 digits HS code is provided)
- Preferably the first four digits of the HS code for each goods item
- Number and type of packages
- Cargo gross weight
- UN dangerous goods code where applicable
- Seal number
- Method of payment for transport charges in case of prepaid (for example "cash payment," "check payment," "electronic credit transfer," etc.)

Ocean carriers will send the Entry Summary Declaration to Customs at the "first office of the entry" (first EU port of call) which will carry out a security risk assessment. In the situation where a so-called "Risk Type A = do not load" is identified, subsequent ports and port of loading will be informed.

For more information about the requirements of the regulation, please contact your local sales representative or visit the EU website:

http://ec.europa.eu/ecip/security_amendment/procedures/index_en.htm

For more information about countries within the European Union (EU) community, please visit: http://europa.eu/abc/european_countries/index_en.htm

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Chinese New Year is upon us!

The upcoming Chinese New Year is expected to cause a spike in volumes in January as transportation operators scramble to ship goods before the post-Chinese New Year slump.

There's usually a lull at the ports this time of year, as holiday goods have already been shipped and business doesn't usually pick up again until after the Chinese New Year. However, because the holiday falls earlier this year (beginning during the first week in February) capacity on ocean vessels leaving Asia is tight leading up to the celebration.



Because many of the country's businesses close for an extended break during this holiday, AIT reminds its customers to plan accordingly and allow additional time for bookings.

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The Parting Wave

"Anybody can pilot a ship when the sea is calm." – Navjot Singh Sidhu

The entire AIT Ocean Systems team wishes our customers and partners across the globe a very Happy New Year! Most likely, a well-received sense of stability will return to the global shipping environment in 2011. Aside from rates, several carriers have already been returning their transit times and operational performance to levels unseen since before 2008. If this industry trend continues, the 2011 shipping season should be a success for shippers and carriers alike.

We look forward to serving you in 2011!

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[The rise of cargo theft](#)

One unfortunate side effect of a weakened economy is an increase in incidences of cargo theft. Whether it was a box here, a pallet there, or a multi-trailer heist, 2009 saw major increases in theft losses over 2008. Unfortunately, 2010 isn't shaping up to be much better.

One additional symptom of the weakened economy is a decrease in the purchase of cargo insurance; a cost cutting measure thought to increase margins in tough times. While opting out of purchasing cargo insurance might increase margins in the short term, it could lead to devastating long term effects on shippers and consignees. One major uninsured loss for an already weakened company could be the final nail in its coffin.



While some cargo owners simply choose not to insure their cargo, many are under the false belief that their logistics service provider has either already done so, or is responsible for the full value of the cargo if it is damaged or stolen. Contrary to this popular belief, the freight forwarders, carriers and other service providers that handle their cargo are not responsible for the full cost of replacement of their goods if damaged or stolen in transit, and they are not responsible for automatically arranging cargo insurance on their customer's behalf. These common misconceptions cost shippers and consignees untold millions per year in damaged, lost, and stolen freight.

Most reputable logistics providers can arrange "all risk," "door-to-door" cargo insurance for their customers at very reasonable prices. In today's uncertain economic climate it does not make sense to forego these relatively small expenses when they could potentially mean the difference between staying in business or going out of business.

Source: WCA News

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[Aramex profits rise](#)

Logistics provider and AIT partner Aramex has reported a net profit of AED 46.7 million (\$12.7 million) for the third quarter ending September 30, an increase of 12% more than the same period last year.

Net profit for the first nine months of 2010 was AED 149.1 million (\$40.6 million), 11% more than the corresponding period in 2009.

Revenue for the third quarter rose to AED 545 million (\$148 million), an increase of 12% year-over-year. The company reported a net margin of 8.6 percent and cash of AED 517 million (\$141 million) at the end of September.

Source: Air Cargo World 10/2010

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[Climate change talks](#)

A proposal at the latest U.N. climate talks in Cancún, Mexico, to tax the airline industry \$3 billion to pay for climate change mitigation has been avoided for the time being.

Dubbed the "Cancún Agreements," the delegates agreed industrialized countries should provide an initial \$30 billion to support climate action for the developing



world up to 2012 and raise \$100 billion in long-term funds by 2020.

Association of Asia Pacific Airlines (AAPA) director general Andrew Herdman, a delegate to the conference, commented, "The Cancún Agreements will be seen as a mildly positive outcome from a process that was in danger of collapsing under its own weight, as thousands of government officials argue over fragments of text in search of an elusive, and some would say unattainable, goal of reaching a universal legally binding global deal on climate change."

Herdman asserted that the real focus in Cancún was on rebuilding trust while accepting shared responsibility for climate change mitigation.

Echoing IATA director general Giovanni Bisignani, Herdman added he was increasingly concerned that individual governments, particularly in Europe, were introducing unilateral measures to impose taxes or levies on air travel that were economically damaging and had no real environmental benefit.

The next round of climate talks is set to take place in November and December, 2011 in another sunny location: South Africa.

Source: *Air Cargo World* 12/2010

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[GACAG looks to ICAO for cargo screening](#)

The Global Air Cargo Advisory Group (GACAG), composed of TIACA, IATA, FIATA and the Global Shippers' Forum (GSF), has announced it will focus on enhancing the security of the air cargo supply chain "in a manner that results in the minimum possible disruption to the vital flow of commerce."

In a statement, the newly-formed organization said the International Civil Aviation Organization (ICAO) should be the global focal point for collaboration on cargo screening requirements and both governments and industry should be part of the ongoing dialogue. ICAO also should set global definitions and standards for air cargo security, including the definition of what constitutes "high risk cargo."

The group, which has invited the World Customs Organization (WCO) to join, said industry and government should follow the international standard set by the WCO on advance cargo information to facilitate risk-assessment; and jointly develop and endorse a standard electronic cargo security declaration process and its associated paper layout. According to IATA, a paper and electronic standard already exists and is currently being reviewed by ICAO.

GACAG added it will "engage with relevant authorities as we address recent developments and seek to further our joint goals of security and facilitation."

Source: *Air Cargo World* 12/20/10

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[PREPARING FOR TAKEOFF: A THOUGHT TO PONDER](#)

*The fascination of flight can't be expressed with words.
But it really lies beyond the capabilities of human endeavor.
Once you've experienced it, you'll never be able to forget it.*

- Friedrich Oblessor, 127 victories WWII

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



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[AIT Worldwide Logistics brightens the holidays of SOS Children's Villages](#)

As part of its annual wish tree program, AIT's corporate headquarters location provided holiday cheer to the SOS Children's Villages of Chicago.

With 450 villages located in 132 nations, SOS is the largest non-denominational children's agency and home to more than 60,000 kids. Approximately 60 children currently live in the 16 homes that comprise the Chicago Village.

Since 2008, the wishes of the SOS Children's Villages of Illinois have occupied the lobby trees at both the Corporate and perishable buildings in Itasca, IL.

Under the leadership of the AIT charity committee, AIT employees were invited to visit the tree, select an ornament and purchase a gift for children between the ages of 12 months and 15 years old.

AIT's "sleigh" delivered the truckload of toys to SOS Children's Villages on Monday, December 6.

Because AIT employees believe in the spirit of community commitment, AIT has participated in an annual holiday wish tree program for the past 11 years.

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[2010 Incoterms overview published](#)

The [2010 Incoterms spreadsheet \(PDF\)](#) is now available on AIT's website.

This document is only a general guideline of the 2010 Incoterms. For in-depth details, please refer to the published Incoterms or contact your local AIT account executive to request an International Trade Dictionary.

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C-TPAT Training Seminar

Beginning on January 5, 2011, C-TPAT certified or trained companies can register to attend CBP's 2011 C-TPAT Supply Chain Security Training Seminar.

There will be two sessions in San Diego next May and one session in New Orleans in June.

This year's C-TPAT training seminars include the following topics:

- Anatomy of a PIA
- Conducting a Supply Chain Security Risk Assessment
- Evidence of Implementation/Documentation
- Suspensions and Removals
- CBP Risk Indicators
- Developing a Security Training & Awareness Program
- Proactive Approaches to Security Breach Prevention



Further details can be found below: http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/registration_notice.xml

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CPSC - Consumer Product Safety Information Database

There was an article in the Federal Register on December 9 with details of a new webpage that will be created with product safety information.

When active, it will be akin to the ADD/CVD and IPR sites.

Below are links to the article containing the final rule that describes the establishment and maintenance of a searchable "Consumer Product Safety Risk Management System (CPSIA):"

PDF version: <http://edocket.access.gpo.gov/2010/pdf/2010-30491.pdf>

Text version: <http://edocket.access.gpo.gov/2010/2010-30491.htm>

A couple applicable websites:

<http://www.saferproducts.gov/>

<http://www.cpsc.gov/about/cpsia/sect212.html>

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Solid Wood Packing

Per the December 2 Federal Register, USDA-APHIS is proposing to remove "the exemption that allows wood packaging material from Canada to enter the United States without first meeting the treatment and marking requirements of the regulations that apply to wood packaging material from all other countries." USDA-APHIS is accepting comments until Jan 31, 2011, and details on how to submit comments are included in the article.

To follow is the FR article:

Text: <http://edocket.access.gpo.gov/2010/2010-30206.htm>

PDF: <http://edocket.access.gpo.gov/2010/pdf/2010-30206.pdf>

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GSP renewal update – NCBFAA Alert

The 111th Congress adjourned for the year without resolving outstanding obstacles to renewal of the Generalized System of Preferences (GSP) program, which expires on December 31, 2010. Therefore, duties will be collected on GSP products from beneficiary countries beginning on January 1, 2011.

Congress did, however, pass a short-term extension of the Andean Trade Preference Act for six weeks -- until February 15, 2011 -- allowing duty-free treatment to continue for Colombia and Ecuador. There was particular concern about the impact of a lapse in the ATPA on flower imports from Colombia prior to Valentine's Day.

Efforts to renew GSP and pass a longer renewal of the ATPA will continue when the new Congress convenes in January.

H.R. 6517 would extend the GSP through June 30, 2012; extend the Andean Trade Preferences Act through June 30, 2012, for Colombia and Ecuador and terminate ATPA benefits for Peru (which has a bilateral free trade agreement in effect with the U.S.) after Dec. 31, 2010; lower or suspend duties on a wide range of imports, including certain plasma flat panel displays, lamps, clock movements, snow globes, ski equipment, bamboo vases, children's wallets, coupon holders, inflatable swimming pools, electronic equipment, household appliances, windsocks, earphones, auto parts, cotton shirting fabrics and various chemical substances; reliquidate certain entries of orange juice and industrial nitrocellulose; and extend through Jan. 1, 2012, the Trade Adjustment Assistance program.

The legislation as passed by the House: <http://www.gpo.gov/fdsys/pkg/BILLS-111hr6517eh/pdf/BILLS-111hr6517eh.pdf>

The version of HR 6517 that passed both houses without the GSP and was sent to the President to be signed as of December 22: <http://www.gpo.gov/fdsys/pkg/BILLS-111hr6517enr/pdf/BILLS-111hr6517enr.pdf>

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Manzullo Summarizes Administration's Export Control Announcement

From the National Customs Brokers & Forwarders Association's (NCBFAA) December 13 eBriefing

NCBFAA recently received a summary of this week's developments in export control from Rep. Don Manzullo's (R-IL) office. Manzullo has been a leader in efforts to bring greater clarity to the nation's export control system, all the while giving credit to the Administration's efforts. For some time, NCBFAA has been working with Manzullo and his colleagues on legislation to improve the Automated Export System.

Following is the summary:

"The Administration has launched a [homepage for its Export Control Reform Initiative](#). The site includes a new consolidated electronic version of the various screening lists maintained by the Departments of Commerce, State and Treasury. You might recognize this as a component of the Export Control Improvements Act, which was introduced last year by Rep. Manzullo with Rep. Brad Sherman (D-CA) and Rep. Adam Smith (D-WA). Rep. Manzullo was glad to see this included in the Administration's reform effort, and we look forward to its integration with the AES.

"The Commerce Department also published a pair of notices in [the] Federal Register: a [proposed rule](#) that would add a new license exception to the EAR and an [advance notice of proposed rulemaking](#) that seeks public comment on how the descriptions of items controlled on the CCL could be more clear and consistent with the tiered control criteria developed by the Administration.

"And the State Department has released a pair of notices that should appear in the Federal Register: a [proposed rule to revise](#) USML Category VII by applying the tiered control criteria to tanks and military vehicles and an [advance notice of proposed rulemaking](#) that will help DDTC in its assessment of the remaining USML categories."

A more detailed summary of the notices provided in the White House announcement can be found [here](#).

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UP, UP & AWAY: Airline Updates

JAL tries to upgrade scaled-back cargo operations

Having terminated its cargo flights at the end of October, Japan Airlines is seeking to enhance the profitability of its remaining cargo business, according to the Nikkei Report. JAL now intends to use the holds of passenger aircraft to carry cargo as well as offer freight services on a lease basis.

JAL began operating cargo flights in 1959. Its cargo routes included runs between Chicago and Narita, a link that carries a large amount of auto parts.



The global financial crisis caused cargo demand to plummet. For the year through March, JAL's cargo business incurred a US\$119.94 million loss.

Meanwhile, air cargo demand is recovering due to rapidly growing shipments of LCD materials and components to Taiwan and other Asian markets. This uptick in demand prompted JAL to raise the efficiency of its cargo operations by using the holds of passenger planes.

When JAL ended its cargo flights, its overall capacity was reduced by 30%. JAL now hopes to transport more value-added items, such as medicines and microchips. By introducing special containers for sensitive commodities and touting its extensive cargo experience, JAL officials hope to see an increase in customer demand.

Source: CargoNews Asia 11/2010

Russian tycoon sells 4% in Aeroflot for US \$110 million

Russian tycoon Alexander Lebedev has sold a 4% stake in flag carrier Aeroflot for US\$110 million, a financial market source told Reuters.

Analysts said the deal offered proof of renewed confidence in the sector as Russia's consumers resume spending after a deep recession.

The sale, organized by Swiss bank UBS, came just days after Aeroflot posted a 65% rise in nine-month net profit, as passenger numbers and revenue surged. After cashing in on the strong rise in the share price, which has gained 54% since the start of the year, Lebedev is now left with a 15.5% share in Aeroflot.

Source: CargoNews Asia 12/2010

LAN in no hurry on Asia links

Despite growing demand for a main-deck connection between Asia and Latin America, expansion across the Pacific is not in the cards for LAN at this time. LAN Cargo has ordered a fourth Boeing 777 freighter. Having deployed its first two B777 freighters across the Atlantic last year, in order to meet shipper and forwarder demands for a rapidly expanding trade between Asia and Latin/South America regions (particularly between China and Brazil), LAN had signalled that it intended to use the next 777F to mount flights to Asia. For the most part, Asian operators prefer to funnel air freight headed for Brazil to Miami, where it connects to freighter departures to the southern hemisphere.

Source: Cargo News Asia 12/2010

SIA Cargo buys stake in China Cargo Airlines

Singapore Airlines Cargo has agreed to pay US \$50 million for 16% of China Cargo Airlines Co, the freight arm of China Eastern Airlines. Once final approval is in place, the new shareholding structure is as follows:

China Eastern 51%, Cosco 17%, Concord Pacific Ltd (EVA Airways Affiliate company) 16% and SIA 16%.

SAI Cargo's president, Tan Kai Ping, said they are excited about the joint venture because it



affords SIA greater participation in the booming cargo transportation sector in China. The deal is subject to regulatory approval, and if it goes ahead, will strengthen Singapore Inc's firm foothold in the mainland aviation market. SIA and its parent Temasek already own 49% of Great Wall Airline, which falls under the control of China Eastern.

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Airport Updates

AAI sees need for second airport at Chennai

According to The Hindu, the Airports Authority of India (AAI) is expected to submit a detailed report to the Tamil Nadu Government for a greenfield airport at Sriperumbudur, near Chennai. Included in that report will be the cost of constructing the airport.

Despite the ongoing modernization at the Chennai airport, the city will need a new airport in a few years because the existing airport has structural limitations which will allow only limited expansion in its present state. The state government has identified about 4,820 acres in the Sriperumbudur area for this project. If and when the second airport is built, Chennai will join the growing number of cities (including Goa and Mumbai) that will offer two airports. Because authorization for the modernization of Chennai's existing airport is expected to be delayed until the elections in May 2011, it is unlikely that any final decision on a second airport will be made until after that time.

Source: Air Cargo World 11/2010

Hong Kong needs third runway, says think tank

A recent think tank lead by former government officials said in a review that in order for Hong Kong to stay ahead of its competition in the region, a third airport runway is urgently needed, reported the South China Morning Post. Its review will be announced in a few weeks, followed by public consultation.



Two existing runways are presently at 93% of capacity and would reach 100% by 2017, based on an annual growth percentage of 6.5%. As it took about 10 years to build a new runway, the airport would have to go through four years – 2017 to 2021 – of total capacity even if a new runway was approved next year.

The city's airport was the world's busiest in terms of cargo throughput and ranked third in international passenger traffic, according to figures from the Airports Council International. Hong Kong's edge over its neighbors would diminish as airports in Seoul, Kuala Lumpur, Bangkok, Singapore and on the mainland all have expansion plans to cope with rising demand.

Source: Air Cargo World 12/2010

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[General Sales Agent \(GSA\)](#)

A General Sales Agent is a sales representative for an airline in a specific country or region. Typically, the GSA is responsible for selling all products of the airline in its region, which includes flight tickets and cargo space.

All costs related to running the GSA's business are the responsibility of the GSA including but not limited to insurance, rent, general office expenses and any travel within the country or region needed to promote/sell the product.

Airlines generally select a GSA for economic reasons or because the GSA has historical ties with travel and cargo agents. The GSA will generally receive a service commission of approximately 3% to 5% on all tickets and unit of cargo space sold.



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During the two week period after Thanksgiving this year, how many Cuban cigars and suspected Cuban cigars were found by U.S. Customs and Border Protection (CBP) officers at the CBP International mail facility in Chicago?

- A. less than 100
- B. between 100 and 10,000
- C. between 10,000 and 100,000
- D. more than 100,000

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

Correct Answer: D. more than 100,000

U.S. Customs and Border Protection (CBP) officers at the CBP International mail facility in Chicago have seized over 30,000 Cuban cigars and another 70,000 of suspected Cuban origin have been detained. While this is a vast increase in the normal amount of Cuban cigars found by CBP, it does not necessarily mean that there was an increase in the amount that has shipped at this time in previous years.



After attempts by terrorists to send small bombs toward the US via plane, US Homeland Security placed a ban in early November on small parcels over 16 ounces flown on passenger aircraft. The result has been an increase in European mail arriving inbound on cargo aircraft to Chicago. CBP has located several on-line retailers in Switzerland who sell genuine Cuban cigars and are shipping orders to the U.S. despite the current embargo.

Since 1963 under no goods or services of Cuban origin may be imported into the U.S. either directly or through third countries without an official license from Office of Foreign Assets Control (OFAC) under the U.S. Department of Treasury, and any Cuban cigars shipped to the US illegally will be destroyed. Per CBP spokesman Brian Bell, it is also illegal to smoke a Cuban cigar while visiting a foreign country.

"As a US citizen, you are prohibited from using an embargoed product anywhere in the world," he said. Technically, you are in violation."

Sources:

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