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IN THIS ISSUE:

[Ocean Fast Facts](#)

[Kevin Krause and Melody Lee Attend 3rd annual TPM Asia Conference](#)

[ISF \(Importer Security Filing\)](#)

[Who's Who among AIT's Ocean Carriers into 2010?](#)

[December Congestion Alert!](#)

[Export Update = Export vessels running near capacity](#)

[General Rate Increase Advisory](#)

[A Brief Ocean Snapshot for 2010 - Trans Pacific Eastbound](#)

[Maersk to rejoin the TSA Carriers in December](#)

BUZZ WORD

[Universal Port](#)

[<< Return to eNewsletter Home](#)

Ocean Fast Facts

Which port is located on the Gulf of Finland, located west northwest of St. Petersburg, Russia, and "finn-ished" with over 600,000 TEUs combined during the full year of 2008?

- A. Port Rostok
- B. Port of Helsinki, Finland
- C. Port of Kotka, Finland
- D. Port of Turku, Finland

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

Correct Answer: C. Kotka, Finland

The port of Kotka is a far northern hemisphere port and handled over 600,000 TEUS combined import and export volume during 2008. Kotka remains a key regional port for cargo originating in Finland and Russia and is served by such carriers as MSC and Maersk.

Sources: <http://www.portofkotka.fi/uusi/en/tilastoja/konttiliik.html>



[⤴ Back to top](#)

BUZZ WORD

Universal Port

There are a variety of ports around the world: container ports, breakbulk ports, inland river ports, the list goes on. But WHAT exactly is a universal port?

Definition: In addition to container handling, a universal port is geared to all forms of non-containerized cargo such as project cargo, suction cargo, liquid cargo, grab cargo and bulk cargo.

Source: <http://www.hafen-hamburg.de/en/list/facts>

[⤴ Back to top](#)

Kevin Krause and Melody Lee Attend 3rd annual TPM Asia Conference

On October 21-22, 2009, Melody Lee, AIT-HKG, and Kevin Krause, AIT-ORD, attended the 3rd annual TPM Asia Conference in Shenzhen, China.

Focusing on container trade and logistics in the Europe-Asia, TransPacific and Intra-Asia markets, the conference presented a series of in-depth sessions



with top-level speakers, roundtable discussions and formal presentations intended to give industry professionals a detailed briefing on a range of urgent issues affecting container shipping and logistics in Asia.

"During the conference in Shenzhen, the keynote speakers gave a very insightful global economic view of the TransPacific marketplace from the Asia perspective," said Krause.

Pointing to signs that the stimulus programs enacted over the past year in China are beginning to take effect, industry leaders made it clear that economies of key global trading partners in Europe and the United States must show signs of recovery before China can return to a path of economic growth.

According to Krause, the conference also addressed that the top priority for ocean carriers in 2010 will be the return to profitability.

"Carriers will need to keep capacity artificially 'tight' to maximize the operating costs of their vessels and equipment," he said. "I believe inventories of raw materials or partially finished goods in the U.S. that go into manufacture of end user products (auto parts) will reach low levels in early 2010 and there will be slight recovery in shipping from Asia to the U.S. in early 2010 as importers act to fill inventories."

Krause notes how security will remain a hot spot in early 2010 when the January 26, 2010 enforcement of Customs' 10+2 ISF (importer security filings) regulation goes into effect.

"This issue was debated at the conference, as many segments of the industry must pay a price to manage the process and develop operating procedures to achieve timely and accurate ISF filings to avoid fines," he said. "AIT has already been working with all parties, importers, agents, carriers and U.S. Customs to help ensure full compliance for AIT's import customer base."

Krause envisions that within the next 5-10 years, container trade throughout Asia will experience growth in trades between China, Vietnam, India and emerging economies such as Brazil.

"Container trade throughout Asia is very diverse and trade between these regions has yet to reach its full potential," he said. "Previously peak season trade lanes like Asia to the United States and Europe may not recover to the growth level potentials in trade lanes between Asia and Latin America; especially Brazil."

- by Christine Nicholson, corporate public relations coordinator

[⤴ Back to top](#)

ISF - Just when you thought there were already too many acronyms in ocean freight!

BAF, FAF, CAF, AMS, ACC, PSS, ACS, THC... and now ISF. Ocean freight has long known to be a slower and more affordable transportation alternative to air freight. Not only is ocean slower than air freight, but ocean freight has historically been much more regulated in the United States. On top of that, ocean rate quotes and bills of lading often appear to be plagued by a long list of surcharges frequently appearing as abbreviations listed in addition to the basic ocean freight transportation charge itself.

In January 2005, another acronym or abbreviation associated with ocean freight joined the seemingly never-ending list of acronyms that customers will see for the processing of ocean imports into the United States. That acronym, which has increasingly begun to appear, is that of the ISF fee. ISF, or the "Importer Security Filing" (also known as 10+2), is an acronym that will remain a very important topic for importers.

As reported in earlier editions of the AIT customer eNewsletter, the United States Customs and Border Protection 10+2 or ISF program will be enforced effective January 26, 2010. Submission of timely and correct ISF data is the ultimate responsibility of the importer of record. AIT has been participating in official U.S. Customs and Border Patrol ISF seminars and has been educating customers and agents alike to ensure ISF data is managed properly. Should you have questions or comments about the 10+2 required data elements, please contact your AIT representative. For a copy of current documentation relating to the ISF program, please refer to the following: http://www.cbp.gov/xp/cgov/trade/cargo_security/carriers/security_filing/

January 26th, 2010 will be here soon, can you afford to pay \$5,000.00 penalty for non-compliance to the pending 10+2 Importer Security Filing (ISF) mandate? Please contact AIT Worldwide Logistics or visit the US Customs web site at www.cbp.gov.

[⤴ Back to top](#)

Who's Who among AIT's Ocean Carriers into 2010?

AIT has always worked with a plethora of ocean carriers to provide various transit and pricing options for our diverse account base. AIT works directly with many of the world's most reputable ocean carriers of all size and scope. Ocean carriers on the roster for AIT into 2010 include the following:



- OOCL
- APL
- China Shipping
- Hamburg Süd
- K-Line
- Hyundai
- Safmarine
- Mediterranean Shipping Company (MSC)
- CMA-CGM
- Zim
- NYK
- Evergreen
- COSCO / COSCO Express

If you don't see one of your familiar or preferred carriers on the above list, chances are AIT works with that particular line and has options in addition to those carriers mentioned above. Contact your AIT representative for more details.

[⤴ Back to top](#)

December Congestion Alert!

At press time, certain port locations were reporting congestion:

- Colombia (Buenaventura)
- India (Kolkata)
- North African Ports (Tripoli / Algiers)
- Venezuela Ports (Puerto Cabello)

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

[⤴ Back to top](#)

Export Update = Export vessels running near capacity

Several of AIT's primary ocean carriers continued to report export sailings to Europe and Asia at near or full capacity during November. Sailings southbound from the United States to Australia and Brazil appear to be the most impacted. Also be reminded that several carriers have enacted no documents no load policies, or "no docs, no load" policies, which means that exporters must submit documents for proper AES filings prior to vessel cut-offs to ensure sailing on originally booked vessels.

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 for special equipment such as open tops or flat racks. Planning early will ensure equipment is available and vessel space can be accommodated by container size and type to satisfy your booking needs.

Less than container load (LCL) booking availability remains wide open. AIT would like to remind our customers 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 shipment needs, whether FCL, LCL or break-bulk.

[⤴ Back to top](#)

General Rate Increase Advisory

During November, carriers continued to announce General Rate Increases in the following trades:

- United States east and west coasts to Asia (Trans Pacific) effective December 1
- Europe / Med to the United States effective January 1, 2010
- United States and Canada to the Mediterranean effective January 1, 2010

- United States to Europe effective January 1, 2010
- New Zealand to the United States effective January 1, 2010

[⤴ Back to top](#)

A Brief Ocean Snapshot for 2010 - Trans Pacific Eastbound

As of mid-November, the Journal of Commerce reported freight rates in the trans-Pacific will go up in 2010, even though supply-demand economics will most likely not be favorable for ocean carriers.

"We will increase rates because we have to," said Ronald D. Widdows, chief executive and group president of the NOL Group, parent company of APL.

Essentially, Widdows asserts that rates will have to increase a lot, and soon. Otherwise, carriers will go out of business. According to Widdows in an address to the annual transportation conference sponsored by the Intermodal Association of North America (IANA), the National Industrial Transportation League and the Transportation Intermediaries Association, ocean lines will lose \$20 billion in their global operations. Moreover, all indications are that excess capacity will plague the Asia - United States trade lane in 2010 and possibly for the next three or four years, because of all the vessels that are on order. Widdows estimates that the earliest the trade can anticipate a capacity squeeze is in 2013.

This capacity squeeze is not anticipated sooner as carriers are attempting to manage capacity by reducing vessel strings, eliminating port calls and combining services. Already in 2009, carriers have reduced capacity and continue to hold capacity down into 2010.

Source: <http://www.joc.com/node/414703>

[⤴ Back to top](#)

Maersk to rejoin the TSA Carriers in December

The Journal of Commerce reported in early November that Maersk Line will rejoin the The Transpacific Stabilization Agreement (TSA) effective Dec. 24. As voiced by chairman of the TSA Group Ron Widdows, member carriers believe that having Maersk on the roster of carriers will help "strengthen" the voice of the TSA. TSA will now have 15 members and those lines will control more than 90 percent of the capacity in the U.S. import trade from Asia.



Source: <http://www.joc.com/node/414538>

The TSA member list of carriers includes the following prior to the Maersk return to the TSA: 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

[⤴ Back to top](#)

The Parting "Wave"

2009 was an exciting year for AIT Ocean Systems. Despite the extreme market fluctuations throughout the year, AIT continued to develop and enhance our carrier and partner relationships to further improve the variety of our ocean service offerings. One service addition for us this year was the LCL Express program, which still remains an expedited product for cargo exiting Asia coming into the United States.

Rates will most likely continue to rise into 2010 as carriers regain profitability. In part, this is welcomed, as it will allow carriers to survive what otherwise may have failed had they not raised the rates. Ultimately, that type of situation could lead to carrier failures and less competition in the market, thus driving rates higher as fewer carriers would be controlling the markets. Hopefully 2010 will not see carrier company failures or further service cuts, keeping the rates competitive. The ocean rates in the global trades were not sustainable in the long run.

As 2010 approaches, AIT would like to thank our customers for their continued support and feedback in helping us further enhance our ocean product. The entire AIT Ocean Systems team wishes you all the best for a happy and healthy New Year. We look forward to servicing your ocean freight needs

throughout 2010 and beyond.

Preview January 2010 AIT Ocean eNewsletter:

You'll really get a "kick" out of this port.

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

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[eNewsletter Home](#)

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[AIT Home](#)

AIR

IN THIS ISSUE:

[Wait until 2013 for pick up, says OAG](#)

[Europe's air freight falls 14 percent](#)

[LAX sees busiest month of 2009](#)

[Transport jobs fall in September](#)

[In search of lift](#)

[<< Return to eNewsletter Home](#)

[Wait until 2013 for pick up, says OAG](#)

In its latest cargo forecast OAG, part of UBM Aviation, says it may well be 2013 before airfreight volumes return to 2007 levels.

According to study author Marty Graham, former Northwest executive now aviation consultant, "The good news is that as the global economy begins to recover and return to normal growth levels, airfreight is likely to once again be a leading indicator of future economic activity."

In its 10-year forecast, OAG projects a slow pick up in airfreight flows led by slow economic recoveries in both the U.S. and Europe.

U.S. GDP is projected to grow less than two percent per year in both 2010 and 2011 (after 0.4 percent and -2.4 percent GDP growth in 2008 and 2009, respectively) while Europe GDP is expected to remain essentially flat through 2010 and then grow a "pedestrian" 1.8 percent a year over the remainder of the forecast period.

OAG notes that overall airfreight traffic has decreased 15 percent in 2009 (following a soft 2008) and the industry has aggressively tried to rationalize capacity but thus far is finding profitability difficult to achieve. With oversupply in some markets and demand weakened, the yield environment remains "very challenging" says the author.

As corporations are squeezed to reduce costs to remain profitable, OAG suggests a growing concern is a modal shift from air to ocean. "Shippers are more willing to accept slower transit to gain the cost advantage maritime or ground shipping offers over air cargo," explains Graham. "Thus air cargo operators must overcome not only a slowdown in global shipment volumes, but also a modal shift caused by shippers looking for ways to reduce logistics costs," he adds.

Source: <http://www.aircargoworld.com/News/Wait-Until-2013-For-Pick-Up-Says-OAG>

[⤴ Back to top](#)



[Europe's air freight falls 14 percent](#)

[Slight decline from August to September shows persistent weakness in expedited demand](#)

Cargo traffic for Europe's air carriers fell at the slimmest rate in almost a year in September, the Association of European Airlines said in a mixed report that showed the downturn in expedited freight demand slowing down but not improving.

Overall freight traffic fell 14 percent in September compared to the same month a year ago, the AEA said, the smallest year-over-year decline since November 2008.

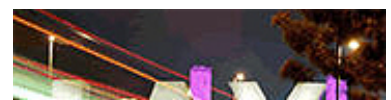
But the traffic also slipped 0.5 percent from August, the second straight month-to-month setback, which suggested the steady improvement in demand had peaked heading into the fall shipping season.

Traffic across all of the European carriers' major trade lanes was essentially flat from August to September and air freight traffic to and from the Far East was down 21.2 percent compared to a year ago.

For the first nine months of 2009, the AEA said freight traffic was down 19.8 percent from the same period a year ago, with Far East and Australasia lanes off 26 percent in the period.

Source: <http://www.joc.com/node/414810>

[⤴ Back to top](#)



LAX sees busiest month of 2009

August decline of 5.1 percent is slimmest for key gateway in 16 months

Los Angeles International Airport, in a new sign of improving stability in Asia-Pacific shipping, reported its busiest month for freight in nearly a year in August and the fourth straight month-to-month improvement in cargo business.



The airport, North America's largest gateway for trans-Pacific air trade, still saw freight tonnage fall 5.1 percent in August compared to the same month a year ago. But even that decline was the slimmest Los Angeles has recorded since April 2008 and the seventh consecutive month of decelerating declines for freight traffic.

The 136,089 metric tons of freight LAX saw in August was slightly better than the July total, but also 28.3 percent ahead of the airport's total at the bottom of the downturn in February.

Hit hard by the collapse in exports out of Asia early in the year, LAX freight tonnage through the first eight months was down 16.2 percent from the same period a year ago, far worse than the 9 percent drop in passenger traffic over the same period.

The August total still leaves Los Angeles on track for its fourth straight annual decline since 2006, a span that has seen the airport's cargo and mail tonnage slide by more than a quarter.

Source: <http://www.joc.com/node/413613>

[^ Back to top](#)

Transport jobs fall in September

Trucking, warehouse sectors decline as key customer groups cut back

Freight-related transportation jobs fell moderately in September, the Labor Department reported, but falling employment levels in key customer groups could signal more trouble ahead for the shipping sector.

Trucking shed about 4,400 jobs from August, leaving total employment at 1.3 million, Labor said. The warehouse and storage industry shed 2,700 to end the month with 637,200.

These are the actual industry employment numbers, not adjusted for seasonal variations based on normal behavior in past years. Many economists say the economic shocks of 2008 and 2009 have distorted the seasonal formulas. But these are also preliminary figures; Labor usually revises them for two months after the initial reports.

Across all industries, the U.S. jobless rate rose to 9.8 percent of the labor force last month from 9.7 percent in August. Labor said employment fell in manufacturing, construction and the retail sector; those are all important shipper groups for freight carriers, and fewer jobs among those customers could reflect weakness in demand for their products.

Employment in rail transportation -- which includes the major freight railroads, short lines and commuter trains using heavy-gauge track systems that are often shared with freight trains - was unchanged from August at 212,400 after falling mildly from July.

A separate report by Class I carriers to the Surface Transportation Board earlier showed the major cargo lines trimming employment from mid-July through mid-August. (<http://www.joc.com/node/413492>)

One transport area enjoyed a surge in job growth for September. Labor said jobs at transit and ground passenger systems, which include buses and subway trains, rose to 411,000 last month from 342,000 in August. That could partly reflect a large increase in federal aid for mass transit, much of it from this year's stimulus law.

In other areas that include freight and passenger transportation, air industry jobs fell by 1,900 last month to 465,100, and water commerce transport jobs shrank by 900 to 58,000.

Source: <http://www.joc.com/node/413760>

[^ Back to top](#)

In search of lift

Demand spurt dries up air freight capacity, brings double-digit rate hikes



Tightening lift is forcing shippers and their air cargo agents to shift gears. Price is no longer the chief criterion as forwarders scramble to secure cargo space on flights, particularly out of Asia.



"Our first concern is to have enough space for what we need. We can concern ourselves with pricing after we have secured space," said Gary Schultheis, vice president for airfreight in the Americas at DHL Global Forwarding.

After double-digit declines in volume and overcapacity in the first seven months of 2009, airfreight volumes from Asia to North America have been rising since early September. Airlines are enjoying strong loads for the first time in a year. "Our flights are choc-a-bloc full," said Neel Shah, vice president of cargo at Delta Air Lines.

Chinese exports have been the strongest driver behind the surge in demand for airfreight space from the region, but forwarders and carriers also reported tight supply in Hong Kong, Taiwan, Korea and Japan. "We have certainly seen a significant surge out of China, and to a lesser extent across the region," remarked Steve Dearnley, chief executive for the Asia-Pacific region at DB Schenker.

The scarcity of available lift is a combination of rising demand and reduced capacity. With volume and yield down more than 20 percent in the first half of the year, airlines have taken freighters out of service and whittled down schedules. The remaining surplus capacity dried up quickly as demand built up.

"The situation is definitely a combination of both a recovery in demand and capacity reductions," said Shawn McWhorter, president for the Americas at freighter operator Nippon Cargo Airlines.

So far, the situation has not created serious bottlenecks or backlogs at Asian gateways, according to forwarder reports. Nevertheless, Asian airports have seen a flurry of charter flights in recent weeks. Delta has run 13 charters out of Asia since the build-up began, and Nippon Cargo has contracts for 20 or more for the remainder of this year, McWhorter said. DHL Global Forwarding alone organized more than 12 charter flights within two weeks.

"We have so far avoided any severe backlogs but have done a few charters to both the U.S. and Europe. These have all been customer-specific, either to handle new product launches or last-minute conversion from ocean to air, rather than general charters to ease any kind of backlog," Dearnley said.

Last year, the anticipated peak season surge out of Asia failed to materialize, frustrating forwarders that had lined up charter flights to cope with bottlenecks. As a result, most did not sign charter contracts for this fall.

Carriers already are starting to show the benefits. Freighter operator Atlas Air reported a \$14.7 million net profit in the third quarter, nearly triple what it reported a year ago. Improving demand and "strengthening charter yields" were behind the gain, the airline said.

In addition to organizing charters, DHL Global Forwarding has signed several block space agreements with airlines to secure space. According to Shah, forwarders have shown stronger interest in long-term capacity arrangements. This marks a departure from the situation earlier this year, when agents and shippers avoided longer-term commitments, both out of uncertainty about their business outlook and to take advantage of aggressive spot pricing as airlines struggled to fill their planes.

Airlines wasted no time in turning the tight capacity to their advantage and boosting their pricing. "Typical peak season rates are being applied. We're close to 2007 peak season rates this year," McWhorter said.

By the end of summer, several leading airlines had signaled double-digit price hikes, arguing recent price levels were unsustainable. "I think the price increases we're seeing are here to stay," Schultheis said. "Carriers originally announced 15 to 25, 30 percent. They won't get that in the first round, but there will be another round," he said.

According to the International Air Transport Association, airlines have parked 227 freighters, about 12 percent of the global freighter fleet, in response to the downturn. The latest rise in demand may tempt them to bring a few of the idled aircraft back into service, but this is unlikely to happen, McWhorter said.

"At this point, it takes too much time and money to resurrect a plane. It takes two to four weeks, and you have to spend about half a million to a million dollars, plus you have to make sure you have crews and maintenance in place. I don't think they would pull them out to fly them for a month," he said.

Source: <http://www.joc.com/node/414429>

[⤴ Back to top](#)

COMPLIANCE

IN THIS ISSUE:

[Enforcement of ISF begins January 26, 2010](#)

[List of Federal Holidays for 2010](#)

[APHIS Withdraws Rule to Increase AQI User Fees](#)

[GSP Renewal Status](#)

[C-TPAT: 2010 Supply Chain Security Training](#)

[FDA Announces Changes to Product Codes for Biological Products](#)

[Intellectual Property Rights \(IPR\)](#)

[Compliance - Invoices](#)

[<< Return to eNewsletter Home](#)



Enforcement of ISF begins January 26, 2010

Enforcement of the Importer Security Filing (ISF or 10+2) begins in less than two months. If you haven't already fine tuned the internal processes needed to gather the required data elements and transmit them to Customs, there is no time to waste. The possibility of fines between \$5,000 and \$10,000 per shipment should have already motivated everyone to get serious about this new regulation.

There is a "do not load" (DNL) option at the port of export, but Customs has stated that in some cases the cargo would be allowed to ship with a late filing penalty upon filing ISF after freight is en route to the US. It might be necessary to have your overseas agent move the shipment to the next vessel in order to keep from receiving the automatic \$5,000 late filing penalty from Customs.

Timely receipt of information and documentation from overseas suppliers, shippers, and cargo agents is a necessity, and a good relationship with an ISF filing agent is needed to make sure the data is transmitted prior to 24 hours before the freight is laden onto the exporting vessel. AIT can assist you with the process. Please contact your account executive.

[⤴ Back to top](#)

List of Federal Holidays for 2010

JANUARY 01	NEW YEAR'S DAY
JANUARY 18	MARTIN LUTHER KING, JR'S BIRTHDAY (OBSERVED)
FEBRUARY 15	PRESIDENTS' DAY
MAY 31	MEMORIAL DAY
JULY 05	INDEPENDENCE DAY (OBSERVED)
SEPTEMBER 06	LABOR DAY
OCTOBER 11	COLUMBUS DAY
NOVEMBER 11	VETERANS DAY
NOVEMBER 25	THANKSGIVING DAY
DECEMBER 24	CHRISTMAS DAY (OBSERVED)
DECEMBER 31	NEW YEAR'S DAY (OBSERVED)

Per CSMS #09-000347: http://apps.cbp.gov/csms/viewmssg.asp?Recid=17740&page=2&srch_argv=&srchtype=&btype=&sortby=&sby=

[⤴ Back to top](#)

APHIS Withdraws Rule to Increase AQI User Fees

The United States Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) has announced the withdrawal of an interim final rule that would increase agricultural quarantine and inspection (AQI) user fees.

Instead of increasing user fees by approximately 10% for AQI various services, APHIS has decided "to explore other regulatory alternatives."

The full text notice can be accessed below:

Text - <http://edocket.access.gpo.gov/2009/E9-26518.htm>

GSP Renewal Status

"Barring congressional action, the Generalized System of Preferences (GSP), with special program indicators (SPI) "A" and "A+", the Andean Trade Preference Act (ATPA), SPI "J," and the Andean Trade Promotion and Drug Eradication Act (ATPDEA), SPI "J+," are all due to expire for goods entered or withdrawn from warehouse after midnight December 31, 2009."

The Obama Administration has requested that the Congress extend these programs as soon as possible, but whether there will be a lapse between expiration and renewal is uncertain at this time.

Customs-Trade Partnership Against Terrorism (C-TPAT): 2010 Supply Chain Security Training

U.S. Customs and Border Protection has announced that the 2010 Customs-Trade Partnership Against Terrorism (C-TPAT) Supply Chain Security Training Seminar will be held March 17th through March 19th, 2010 in Anaheim, California. The Seminar is open to all C-TPAT certified partners; however, space will be limited. Registration opens on January 6, 2010.

Interested parties should monitor the following website for further details and updates:

http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/.



FDA Announces Changes to Product Codes for Biological Products

U.S. Customs and Border Protection (CBP) has published a notice stating that the Food And Drug Administration has updated their product codes for Industry 57 - Biological Products. The new product codes and subclasses are available for immediate use, and additional product codes will be end-dated as of November 30, 2009.

The full text of the CSMS notice (09-000337) can be accessed online:

http://apps.cbp.gov/csms/viewmssg.asp?Recid=17730&page=&srch_argv=09-000337&srchtype=all&btype=&sortby=&sby=

Intellectual Property Rights (IPR)

Customs defines intellectual properties as "creations of the mind: Inventions, literary and artistic works, and symbols, names, images, and designs used in commerce." These include trademarks, trade names, copyrights, and patents. Customs has the authority to exclude from entry, detain and/or seize violative merchandise.



Customs has put on their website a new informed compliance publication detailing what constitutes Intellectual Property Rights, what constitutes a violation of those rights, and what actions Customs uses to protect those rights.

The "Enforcement of IPR Informed Compliance Publication" can be found by visiting the following link: http://www.cbp.gov/linkhandler/cgov/trade/legal/informed_compliance_pubs/enforce_ipr.ctt/enforce_ipr.pdf

Compliance - Invoices

Perhaps the most important document in global trade is the commercial invoice. An invoice must contain sufficient information to classify the merchandise and allow assessment of the necessary duties. Some commodities have special requirements, but the general invoice requirements for freight being imported into the US include the following:

- The document must be in English. The alternate minimum requirement is that an additional

page is attached with an "accurate English translation containing adequate information for examination of the merchandise and determination of duties;"

- The invoice must be dated and include the place where the sale/transaction took place and the US Port of destination;
- The name and full address of the seller and the buyer of the merchandise;
- For each item, "a detailed description of the merchandise," the quantities and weights, the purchase/transaction price (including currency), and the country of origin (manufacture);
- All additional charges itemized by name and amount (freight, insurance, commission, cases, containers, coverings, and cost of packing). All discounts must be detailed. Any "assists" not included in the invoiced value must be shown;
- Finally, the invoice should show the name of a responsible employee of the exporter, who has knowledge, or who can readily obtain knowledge, of the transaction.

Please note that even if there was no sale, there is still a value to the shipment. A "free of charge" shipment should have a value equal to the amount that the shipper "would have received, or was willing to receive, for such merchandise if sold in the ordinary course of trade and in the usual wholesale quantities in the country of exportation."

Full text of "Contents of invoices and general requirements" (CFR 19 Sec 141.26) can be found by visiting the following link:

Text - http://edocket.access.gpo.gov/cfr_2009/aprqrtr/19cfr141.86.htm

PDF - http://edocket.access.gpo.gov/cfr_2009/aprqrtr/pdf/19cfr141.86.pdf

[⤴ Back to top](#)

If you have any questions or comments regarding the Compliance eNewsletter, please contact [Paul Codere](#) from the Customs Brokerage Department.

PARTNER NEWS

IN THIS ISSUE:

[Passport to Partnership:
Partnair & Sea](#)

[<< Return to eNewsletter Home](#)



Passport to Partnership: Partnair & Sea

Established in 1991 by Alain Berekbaum, Partnair & Sea has become AIT's primary strategic partner in France.

During a recent visit to AIT's corporate headquarters location in Itasca, Illinois, Alain Berekbaum sat down with Christine Nicholson, corporate public relations coordinator, to discuss his business partnership with AIT.

Nicholson: Why did you partner with AIT?

Berekbaum: My business relationship with AIT stems back approximately 12 years ago, when I formed a solid partnership with the Pittsburgh location. Through communication, close contact and mutual trust, I am confident that we can continue working together to identify foreign market opportunities and help each other expand business while remaining competitive in the ever-increasing aggressive nature of the global marketplace.

Nicholson: Can you describe any "success stories" you've recently experienced since partnering with AIT?

Berekbaum: Recently, one of an AIT customer's plants in Seymour, Indiana, was in dire need of a part that was manufactured by Philips Lighting in Chartres, France. The plant was about to shut down if they didn't receive the part as soon as possible.

AIT called on Partnair & Sea to collect the 4 small boxes (weighing a total of 42 pounds) from the Philips location in France. Partnair & Sea immediately sprang to action by recovering the shipment and putting it on an expedited Lufthansa flight to Frankfurt, which connected to a flight to Chicago.

Because of our quick action and close business cooperation, the charter flight arrived on time and the freight was successfully delivered to the plant at 11:55 on Wednesday, October 21, 2009.

Nicholson: Describe the size and scope of your company. Does Partnair & Sea specialize in any vertical markets or industries?

Berekbaum: We opened our doors for business in 1991, as Partnair Freight International in Paris. In nearly 20 years, we have grown from an operation of 4 employees and 1 location to approximately 50 employees working out of 5 locations with one representative office in Congo.

In France, we are localized on the main airports: Roissy CDG (headquarters), Lyon, Toulouse, Pau and on the main port of Le Havre. Our international network allows us to design solutions for customers across the globe.

Our scope of services and competencies include consolidation, direct and express air services; dangerous goods shipments; AOG (aircraft on ground) services; temperature-controlled transportation solutions; pick and pack operations; warehousing; full charters for oversized and time-critical shipments; hand carry services for the petroleum and automotive industries, customs brokerage, and FCL/LCL/NCL ocean services.

Partnair & Sea also specializes in niche and project cargo and the energy, oil and gas markets by

developing customized transportation models for urgent shipments of pipes or spare parts across France.

Nicholson: What factors do you attribute towards your company's growth and success?

Berekbaum: The team I've selected has been the driving factor behind my company's growth and success. Employees in every single one of our branch offices are incredibly passionate about the business and committed to providing our customers dedicated service.

The beginning of our story begins and ends with trust. When I founded this company in 1991, I was the only product - essentially, I was personifying the company and the services I could offer by putting my face in front of customers. I worked hard to earn that trust, which has since been invested into my employees.

As the Chairman of this company, I've always maintained the following business formula: "You must say what you do and you must do what you say." I strongly believe that as a team, we speak with conviction but also with heart. We follow through on the commitments we make to our customers; we never want them to lose faith in us or the company we've built.

Partnair & Sea was a small company when it was incepted in 1991 and now, by France's standards, we are considered a medium-sized freight forwarder. I look forward to continuing our growth through earning customer confidence and developing strategic overseas partnerships with companies like AIT Worldwide Logistics.

For more information about Partnair & Sea, please visit <http://www.parnairsea.fr/>.



[⤴ Back to top](#)

If you have any questions or comments regarding the Partner eNewsletter, please contact [Franco Lasagni](#), Managing Director International.

GOING GREEN

IN THIS ISSUE:

[Long Beach Signs 'Green Pact'](#)

[Sea-Tac Recognized as Best "Green" Concessions Among Airports in North America](#)

[Cheaper, leaner, greener](#)

[<< Return to eNewsletter Home](#)



Long Beach Signs 'Green Pact'

Environmental accord with terminal operator to foster exchange

The Port of Long Beach and terminal operator China Merchants Holdings International signed a comprehensive environmental exchange agreement to add and improve "green" technologies and practices on both sides of the Pacific Ocean.

"This agreement recognizes that we are not only partners in trade, but partners in ideas and solutions that safeguard our environment and ensure a sustainable future for our seaports," said Nick Sramek, Port of Long Beach board of harbor commissioners president, who signed the accord in Qingdao while on a trade mission with other Port officials.

"We are grateful and honored to have a major player like China Merchants as a partner in our environmental efforts," Sramek said.

The Port of Long Beach has additional green accords with the Port of Rotterdam, Yantian International Container Terminals in China and a group of ports in Mexico.

"Stepping into a new phase of development, this agreement signifies that CMHI is determined to build a sustainable company and environment through our strategic green port policies," said Liu Yunshu, executive director cum deputy general manager of CMHI. "It is also our honor to have Port of Long Beach as a partner to advance a dialogue on green port initiatives and practices."

The port and the terminal operator will collaborate on environmental issues such as marine wildlife, air quality, soils and sediments, water quality, sustainability and community engagement. The accord covers the exchange of technical information on improving air quality, the establishment of joint delegations to study port emissions and pollutants, and the ongoing development of control measures and best practices surrounding port and urban sustainability policies.

Source: <http://www.joc.com/node/414816>

[^ Back to top](#)

Sea-Tac Recognized as Best "Green" Concessions Among Airports in North America

Seattle-Tacoma International Airport took first place for the Best "Green" Concessions Practice award among airports in North America. The honor was announced during the 2009 Airports Council International - North America Concessions Conference in Indianapolis, at which roughly 200 representatives of North American airport concessions industry are in attendance. Sea-Tac was also awarded second place for Best Convenience Retail Program.

"We are thrilled to be recognized by our airport peers for our integrated recycling, composting and food bank program" said Mark Reis, Managing Director, Sea-Tac Airport. "The airport concessionaires and staff have worked tirelessly to divert recyclable and compostable materials from landfills and thereby reducing waste, feeding the needy and helping lead our region and the airport industry to a sustainable future."

During 2008 alone, concessionaires recycled more than 1,200 tons of material; an amount equivalent to the weight of six Boeing 747 aircraft. During the same period, they avoided disposal costs and generated revenue through rebates on recyclables which totaled \$160,000. Sea-Tac concessionaires made waste reduction and recycling a priority by recycling cardboard, used cooking oil, food waste and coffee grounds. Since 2001, Sea-Tac concessionaires diverted thousands of tons of recyclable material from landfills through recycling, composting, and food bank donation programs. Concessionaires donated food that served 8,000 meals to needy families in 2008.

Sea-Tac's recycling programs are even estimated to have prevented the release of Greenhouse Gas emissions equivalent to removing 819 passenger cars from the road annually; conserved an amount of energy equivalent to the annual energy consumption of 83 households (USEPA Waste Reduction Model), and saved 3,700 cubic yards of landfill space (1 ton waste = 3 yd³ landfill space, American Paper Institute, Inc. report: "Paper Recycling and Its Role In Solid Waste Management").



The purpose of the ACI-NA Excellence in Airport Concessions Contest is to inspire creativity in the industry and to recognize innovative and outstanding airport concessions. These awards help to demonstrate the growing importance of concessions to the total airport experience. This year's contest received more than 160 nominations from airports of all sizes throughout the U.S. and Canada. Here are the results of the categories involving Sea-Tac Airport:

Best "Green" Concession Practice or Concept:

1st Place: Seattle - Tacoma International Airport
2nd Place: C-Pier Expansion, Vancouver International Airport
3rd Place: Concourse D, Portland International Airport
Honorable Mention: Enroute Spa, Indianapolis International Airport

Best Convenience Retail Program - Large Airport:

1st Place: Atrium, Hartsfield Jackson Atlanta International Airport
2nd Place: Seattle Tacoma International Airport

Entries for this year's contest were judged by an independent panel comprised of high-level professionals with no vested interest in concession operations, or the outcome of any one airport. In addition to the independent panel, one representative from the previous year's overall winner was also involved in the judging process.

Source: <http://www.joc.com/node/414602>

[⤴ Back to top](#)

Cheaper, leaner, greener

The results of our 4th annual Warehouse/DC Operations Survey reveal that warehouse and distribution decision makers are shifting from an outward strategic focus to an internal tactical focus, adopting a lean, green culture while continuing to cut costs across the board.

Like most business sectors, warehousing and distribution operations have taken quite a hit in this economic downturn. In fact, Logistics Management's 4th annual Warehouse/ Distribution Center (DC) Operations Survey reveals that the industry continues to hunker down and look internally for ways to cut costs as businesses cope with low consumer demand and overcapacity. [Read More](#)

Source: http://www.logisticsmgmt.com/article/366830-Cheaper_leaner_greener.php?q=Cheaper+leaner+Greener

[⤴ Back to top](#)

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



Smooth Sailing Ahead:

AIT Worldwide Logistics ensures 10+2 cargo compliance

As the January 26, 2010 enforcement of the Importer Security Filing (ISF or 10+2) nears, timely receipt of information and documentation from overseas suppliers, shippers and cargo agents has never been more critical.

As a licensed Customs Broker and NVOCC, AIT offers the internal processes, resources and capabilities necessary to file all required elements in order to ensure full 10+2 compliance.

Published by U.S. Customs and Border Protection, the 10+2 rule fulfills the mandate passed by U.S. Congress in the SAFE Port Act to obtain additional data elements prior to the arrival of ocean cargo.

AIT's integrated 10+2 Importer Security Filing services are supported by our U.S. Customs Brokerage experts, who are familiar with all filing requirements and timeframes required to process each of the data elements.

Because non compliance (including data errors and/or late transmissions) can result in severe financial penalties between \$5,000 and \$10,000 per shipment, AIT is dedicated to ensuring all documentation is accurately transmitted to Customs 24 hours before cargo is laden onto the exporting vessel.

While the global trade community adjusts to these industry-changing security regulations, AIT Worldwide Logistics will continue providing ocean import customers with comprehensive 10+2 compliance.

THE "10" ELEMENTS

(Responsibility of the Importer)

- Seller
- Buyer
- Importer of Record Number (IRS/EIN)
- Consignee Number (IRS/EIN)
- Manufacturer or Supplier
- Ship to Party
- Country of Origin (manufacture)
- HTSUS (at least 6 digits)
- Container Stuffing Location
- Consolidator (Container Stuffer)

In order to connect the 10 elements to the carrier information, Customs also requires the following two elements:

- AMS House Bill of Lading or AMS Bill of Lading if a House Bill of Lading is Nonexistent
- Container Number and Size

THE "2" ELEMENTS

(Responsibility of the carrier)

- Vessel Stow Plan
- Container Status Messages

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





MyAIT officially went live for new customers on Monday, November 2.

As an interactive web-based portal designed to enhance and customize the way customers track, trace and manage their shipments, **MyAIT** provides instant access to comprehensive information and supply chain visibility in a quick and easy to use format.

"We listened to our customers and responded to their demands by providing this integrated online solution," said Vaughn Moore, vice president of sales and marketing.

Outside of traditional tracking and tracing processes, the **MyAIT** web environment enables customers to customize, sort, group and filter their data in order to provide instant access to comprehensive information and shipment visibility.

Various profile-driven details, including shipment data, status updates, scanned documentation and invoices, can be viewed, printed or emailed through the flexible **MyAIT** application.

"Using AIT's customized technology tools, customers currently enter approximately 53% of shipments into our system," explained Chris Stone, technical sales associate. "As soon as the shipment is created, the customer gains access to fully customizable, real-time status updates from origin to destination. This increased level of communication allows AIT to better serve and inform our customers."

The first version of **MyAIT** will replace eaMyTrak. Future versions of the application will ultimately replace eaPOD and eaNetSHIP.

Existing customers who are currently using eaMyTrak will be phased over to **MyAIT** on **Monday, December 7**. Over the next couple weeks, eaMyTrak customers will be notified of the migration to **MyAIT** with the opportunity to review the online demo, which is located on the homepage of our website in the "Tracking Demos" fly-out menu.

To view the interactive demo, which provides an overview and step-by-step training on all the features available in **MyAIT**, please visit our website:

<http://www.aitworldwide.com/Demo/MyAITDemo.aspx>

Additional Features:

- Profile driven where each user can create customized column headers which can be sorted, filtered, and grouped.
- MyAIT list page separates shipments into four searchable categories: Domestic, Transborder, International Air, and International Ocean.
- View hard copies of the BOL, DR, and other billing documents after the image has been scanned.



- View instant charges, show charges after they have been invoiced, or setup the application to display no charges at all.
- The “Open Invoice” feature of MyAIT helps customers quickly identify which shipments have not been paid and print the invoice.
- Customers can be given full administrator access, allowing them complete control of the MyAIT accounts setup for their company. Administrators can add, delete, modify, and copy user ID’s.
- Purchase Order tracking is available to assist in managing purchase orders with their vendor.
- AIT’s warehousing customers have the ability to view detailed information about products that have been shipped from physical and virtual warehouse locations. Product ID’s, product descriptions, serial numbers, asset tags, and production dates are captured to improve tracking capabilities.

If you have any questions, concerns or problems with MyAIT, please contact myait@aitworldwide.com.

Supply chain responsibility

Examining the relationship between corporate philanthropy and the supply chain

By its very definition, a supply chain is a system of organizations, people, technology, activities, information and resources involved in the flow of global shipments from supplier to customer.

In many aspects, the supply chain is the engine that drives our economy — it is a vital service, fundamental to nearly every sector of the marketplace.

Therefore, it isn't difficult to comprehend why many corporations within the supply chain community have a growing interest in developing a social obligation to the local and national communities they serve.

"Logistics activities that demonstrate a deep-rooted commitment to the community are highly effective corporate initiatives that enhance relationships among employees, customers, vendors, partners and carriers," says Vaughn Moore, vice president of sales and marketing for AIT Worldwide Logistics, Inc. "The practice of corporate philanthropy has become an important factor in sustaining a successful and responsible logistics business."

Smart Business spoke with Moore about how the logistics industry has become guided by a collective social conscience.

How has community involvement been embraced by the supply chain community in recent years?

The logical and most obvious form for logistics providers to give back has involved providing the resources, warehouses, transportation solutions and other assets necessary to implement disaster relief operations that, at their core, are all about supply chains.

The industry has been a leader at the forefront of using what it has and what it does every day in order to distribute goods and materials where they are needed most.

Two events in recent years have served as a wakeup call for the industry — Hurricane Katrina and Sept. 11. In the wake of those dire circumstances and horrific tragedies, it was called on to coordinate relief operations to civil society.

In addition to providing aid, the industry was also challenged to move beyond the tangible business aspect of transporting goods.



Vaughn Moore

Vice president of sales and marketing
AIT Worldwide Logistics, Inc.

As you might imagine, these two historical events prompted the industry to rally together, recognize the power of humanity and embrace the altruistic side of the supply chain.

It was inspired to find additional ways to connect with local and global communities in order to contribute to the greater good.

What are the challenges and benefits presented to companies interested in implementing successful corporate commitments?

Financial and time aspects, allocation of key resources, engaging employee participation and development of clear long-term goals are potential challenges involved in selecting a corporate commitment.

Above all else, the success of a corporate social initiative is critically dependent on whether the community commitment is closely connected to and integrated with your company's core competencies, business models and philosophies.

I've been using the term 'emotional currency' for years to describe the spirit

of community involvement that's adopted by employees who are properly vested in a cause. There's a big difference between writing a check versus contributing year-round time, participation and front-line support.

When employees at all levels across the entire organization actually care — not just about their job but about the company, its customers and the community — your corporate commitment quickly becomes an employee-owned initiative rather than a company-owned initiative.

In addition to that, a successful program increases the exposure of your brand, creates a unique competitive advantage for your company, boosts employee morale and builds your reputation as a company committed to affecting change, both within the industry and outside of it.

Given the current state of the down economy, how are employees expected to participate and donate in corporate sponsorships or commitments?

Whether your company partners with the American Cancer Society to support the fight against breast cancer, sponsors an adopt-a-family program every holiday season or offers disaster relief efforts to Third World countries, employee-owned initiatives are relatively recession-proof.

After all, it is the employees who are driving continuous participation, creating internal and external fund-raising campaigns, making donations and sustaining involvement.

When the values of your company have been indoctrinated into every aspect of your community commitment and corporate culture, employees feel a certain sense of protection, pride and recognition.

These values not only bring out the best in a company's employees, they ultimately shape and define your company and all of its global relationships among customers, partners, vendors and the communities where we live and work. <<

VAUGHN MOORE is the vice president of sales and marketing 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 www.aitworldwide.com or (800) 669-4AIT (4248).

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