

Long Beach Clean Truck Fee

Further to our advice back in September 08 it looks like it will start on February 18th unless the FMC delay it again.

CT Fee on all movements ex Long Beach
LCL USD 3 w/m
FCL USD 35 per FCL

USA Seafreight General Rate Increase

The members of the VSA (Maersk, Hamburg Sud, Hapag Lloyd, and USL) have announced a GRI of USD 200 per 20' and 400 per 40' which will become effective on March 1.

This equates to a GRI of USD 8 w/m for LCL.

There is some doubt as to whether this GRI will hold together in the face of the economic pressures that are facing our industry.

If this GRI is passed on to all companies without exception, we will have no choice but to pass it on, as will everyone else.

We will keep you updated as March 1 approaches.

Cargo Screening Requirements from February 1 ex USA

In preparation of the 9/11 Commission Recommendations Act of 2007 which mandates 100% cargo screening on passenger aircraft within 2010, The Transportation Security Administration (TSA) requires all air carriers to screen 50% of their cargo beginning February 1, 2009. Screening is required for all passenger flights originating in the US.

Since the screening requirements are mandated by the TSA to the airlines, each airline has established its own procedures and protocols for accepting cargo. For all cargo that will be handled by our USA partner DSV Air & Sea, we have compiled the following procedures for your guidance. Since the program is subject to change and further guidance by the TSA or the airlines, we suggest that you check for updates and changes.

PROCEDURES: (Effective for shipments departing on Passenger aircraft on or after February 1, 2009)

Please follow the procedures below for unscreened cargo to ensure proper and timely handling.

- When booking cargo you must advise if you have pre-screened cargo or not. Cargo arriving without pre-booking will be considered unscreened cargo regardless of whether it was screened or not.

- All unscreened cargo must be delivered loose and the actual number of pieces must be indicated on the documents accompanying the shipment.

- Any cargo delivered unitized or shrink-wrapped will be broken down by DSV contractors and any cost related thereto will be for the account of the cargo.

- Since pieces must be delivered loose a best practice will be that each piece is clearly stamped, labelled or marked with the name, address and contact information of both the shipper and consignee.

- Since pieces must be delivered loose, another best practice would be for shippers to label, stamp or mark each carton with a carton number and total number of cartons. i.e. 1 of 10; 2 of 10; 3 of 10, etc.

- DSV must have on file a completed Consent to Search form from all shippers who tender cargo for passenger aircraft.

(A separate bulletin will be issued on this matter)

- Upon tendering cargo to DSV, all cargo must be accompanied by all documents and certifications required for transport (Domestic or International). This will be used to verify piece counts.

APPLICABLE FEES:

The following fees will apply for all unscreened cargo tendered to passenger air flights.

- \$3.00 per piece. Minimum \$35.00 per HAWB and Maximum of \$150.00 per HAWB.

As an alternative, the TSA has developed the "Certified Cargo Screening Program" (CCSP) as an additional layer in their current strategy. The CCSP is a voluntary program that initiates a "chain of custody" for cargo screened at a TSA Certified Cargo Screening Facility (CCSF). Shippers, forwarders and third parties may participate in the CCSP, provided that they operate their own warehouse facility. Certification is location specific so if you have multiple facilities handling air freight cargo intended for passenger aircraft, each facility will have to be certified. DSV's gateway and other branch facilities are working towards certification. We will keep you abreast of our developments and approval for participation in the CCSP.

Although parties participating in the CCSP may save the costs and fees implemented by the airlines or forwarders for cargo screening, they will bear the administrative and operational costs of becoming and maintaining their own operation as a CCSF. If you are interested in participating in the CCSP, you can contact your local DSV representative for a copy of the Certified Cargo Screening Program Facility Security Plan Guidance or you can contact the TSA by email at: ccsp@dhs.gov for further direction.

Finally, we recommend that you book your cargo early and timely to avoid any delay which may occur whenever new procedures are implemented.

FULL IMPLEMENTATION OF SEA CONTAINER AUDITING TO COMMENCE -

9 FEBRUARY 2009

MAF Biosecurity New Zealand (MAFBNZ) has been conducting Level 1 (baseline) import sea container audits for the past three years, to establish and monitor biosecurity contamination rates, wood packaging compliance and cargo tariff code compliance associated with imported sea containers. Early next year we will implement the second phase of this audit programme.

From 9 February 2009 if biosecurity contamination (e.g. insects, seeds, eggs etc) is found on a sea container (either internally or externally) or wood packaging or cargo are found to be non-compliant during a level 1 audit, an increased audit regime will be put in place to ensure that contamination does not reoccur.

The increased audit level will be 100% of the exporter/supplier's consignments until five successful audits have taken place or a period of 12 months has elapsed, whichever occurs first.

100% auditing is targeted at the exporter/supplier, which means that more than one importer may be affected by an audit failure and incur increased costs.

MAFBNZ activities relating to 100% sea container auditing will be fully cost recovered.

Standard charges of \$100 per hour and associated travel fees will apply to the importer.

Level 1 (baseline) auditing will continue to be funded by MAF through the sea container levy.

If further contamination occurs during the increased audit regime then the exporter/supplier will remain at the elevated audit level until such time as compliance is achieved or 12 months has elapsed, whichever occurs first.

Where a low level of contamination is detected the MAFBNZ inspector has the discretion to decide if an audit failure has occurred or if the contamination is to be recorded and no further action taken.

Audit failures relating to transitional facilities and accredited persons will continue to be referred to MAFBNZ Biosecurity Officers for further action.

Examples of non-compliance that may lead to a 100% regime are:

- the presence of internal or external contamination that, in the opinion of an inspector, would render the container quarantine declaration invalid;
- undeclared wooden packaging material;

- wooden packaging that is not clean and pest free;
- wooden packaging that does not meet the requirements of the Import Health Standard for Wood Packaging Material from All Countries (ISPM15);
- prohibited packaging material;
- undeclared cargo.

You can reduce the impact on your business by:

- speaking to your suppliers - Make certain that they understand the importance of ensuring both the goods in the sea container and the container itself are clean and free of contamination. This will benefit not only you as the importer (to reduce biosecurity costs associated with the auditing regime) but for New Zealand as a country.
- ensuring that any wood packaging used by your supplier meets the International Standard for wood packaging (ISPM15).
- ensuring that the sea container quarantine declaration is accurate and fully completed.

Accredited Person (AP) reporting of contamination found in containers during normal AP checks will not affect audit regimes. Accredited Persons should continue to call MAFBNZ when live contaminants are found and should continue to submit logsheets recording contamination as usual.

The requirements for level 1 (baseline) audits and the 100% audit regime are detailed within the MAFBNZ Standard: Requirements for the Audits of Sea Containers and can be found at

<http://www.biosecurity.govt.nz/border/transitional-facilities/sea-containers/auditing-guidelines.htm>

Long Beach Year-end Cargo Figures Reflect Global Slump

Interesting Numbers -

Container cargo shipments through the Port in 2008 reflected the depth of the global economic recession, dropping 11 percent compared to 2007. It was the biggest single-year decline in more than 20 years.

Year-end totals show that the number of containers shipped into and out of the Port fell to 6.5 million twenty-foot equivalent units (TEUs) in 2008 - the lowest level in Long Beach since 2004.

The year culminated in an especially weak December, when the monthly total tumbled 25.3 percent to 429,946 TEUs - the lowest monthly total since February 2005.