

ROGERS & BROWN

TRADE TALK

VOLUME 21, ISSUE 2 NOVEMBER 2008

WHAT'S NEW AT BROWN DISTRIBUTION CENTER

Brown Distribution (BDC) has implemented a new warehouse management system, Logimax. The implementation of Logimax has already substantially increased the value added services that we can offer our customers. Logimax improves customer support in the following ways:

- Gives customer ability to run inventory reports via a web portal
- Gives customer ability to place orders online
- 24/7 customer support
- Perpetual inventory program to sku
- RF capabilities
- Barcoded inventory
- Extending EDI capabilities

According to leading industry research, the role of logistics providers is changing and 3PLs are becoming more strategic partners. This system provides the right technology for greater communication and visibility for both our external and internal customers.

Brown Distribution is also in the process of upgrading the rail spur that runs along the back of the warehouse. We are replacing 300 rail ties on the rail spur which is connected to the Norfolk Southern main line. This upgrade provides longer term service commitments for both inbound and outbound rail tonnages. Brown is in the process of working with Norfolk Southern on a project that includes the loading and unloading of automobiles onto/from uni-level rail cars.

BDC has a host of local cartage and longer haul truckload carriers for transport of cargo on intermodal containers or 53' van type trailers. LTL (less-than-truckload) cargo is readily handled by our LTL truckers at very competitive cost and service levels.

A "Customer need" is a BDC "opportunity", and we are committed to be the leader in customer service.



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ANNUAL AVIATION SECURITY NOTIFICATION

Rogers & Brown is an Indirect Air Carrier and as such must have an approved Air Security Program. Each year all appropriate staff must receive special security training and all of our training has been completed for 2008. Rogers & Brown is in compliance with the Transportation Security Administration's approved security program and all appropriate amendments.

“Cargo items tendered for air transportation are subject to aviation security controls by air carriers and, when appropriate, other government regulations. Copies of all relevant shipping documents showing the cargo’s consignee, consignor, description, and other relevant data will be retained on file until the cargo completes its air transportation.”

"Be thankful for what you have; you'll end up with more. If you concentrate on what you don't have, you will never, ever have enough".

Oprah Winfrey

AIRFREIGHT NEWS

Rogers & Brown is pleased to make the following announcement regarding our airfreight service offering.

As of June 1st 2008, Kevin Neal has been appointed to a newly created position, that of Air Product Manager. Kevin is based in our Atlanta facility and is responsible for the further development and the operations of our Airfreight Product. Kevin has more than 14 years of experience in air transportation and has a proven track record of successful management positions in operations. His exposure to and successful handling of a wide variety of air cargo will be a genuine asset to Rogers & Brown. “Kevin is a very good fit for our organization and culture and his contribution was felt very quickly. We have had a very good product in the market for some time but we needed a focus on development and to establish a presence in a major gateway. I am confident that our air product will be very successful under Kevin’s management”; said Joe Fordney, Director of Freight Forwarding Operations.

Kevin will work together with our sales team, division managers and network partners to structure this important service offering in a manner that enhances our value proposition to our client base and in a way that improves our competitive position in the market.

Our customer service center will remain in our Greenville/Spartanburg, SC office.

Please feel free to contact Kevin or Tanya Burton – Manager Customer service – Air using the contact detail below at your convenience.

Kevin Neal
Air Product Manager
Rogers & Brown
107 Forest Pkwy.
Suite 100
Forest Park, GA 30297
404.766.4040 ph
404.326.2877 mobile
kevin_neal@rogers-brown.com

Tanya Burton
Customer Service Manager
Rogers & Brown
150L West Phillips Rd
Greer, SC 29650
864.879.2157 ph
tanya_burton@rogers-brown.com

NEW SCREENING REQUIREMENTS – FEBRUARY 2009

Although specific details cannot be released at the present time due to TSA security regulations, our industry partners and customers should be made aware that new legislation governing the tender of cargo to passenger carriers will come into effect beginning in February 2009, with full compliance required by October 2010. The new measures will

demand that intensive screening and examination occur before any shipment can be boarded onto a passenger aircraft in the United States. More information will be shared with concerned parties as the dates for enactment of the new procedures draw nearer. Rogers & Brown is a fully certified member of C-TPAT (Customs-Trade Partnership Against

Terrorism), and we offer the highest level of commitment to the safety and security of the citizens and visitors of the United States, as well as our customers. We are also committed to being on the leading edge of the new regulations, and will continue to provide the same level of service and expertise that we brought to the industry for the past

40 years – no matter the perceived obstacles, because we are in the business of turning road blocks into building blocks.

For questions relating to this and other airfreight inquiries please contact Kevin Neal, Air Product Manager, at 404-766-4040.

PHASE IN OF LACEY ACT

Under the amended Lacey Act, beginning December 15, 2008, importers are required to submit a declaration for certain plants and plant products. The declaration must contain, among other things, the scientific name of the plant, value of the importation, quantity of the plant, and name of the country from which the plant was harvested. For paper and paperboard products with recycled plant content, the importer will not be required to specify the species or country of harvest with respect to the recycled plant product component, but will be required to provide the average percent recycled content. If the product also contains non-recycled plant materials, the basic declaration requirements still apply to that component of the product imported. For plant products (as opposed to plants), if the plant species from which they are made varies and are unknown, importers will have to declare the name of each species that may have been used to produce the product. Similarly, if a plant product is made of plant species commonly harvested in more than one country, and the country is unknown, the importer will be required to declare the name of each country from which the plant may have been harvested.

CBP already collects some of the information that the Lacey Act amendments require importers to include in their declaration. CBP is currently developing an electronic system that will collect the remaining data required to be declared, and we intend to begin enforcement of the declaration requirements upon completion of the electronic system. CBP anticipates completing the electronic system by April 1, 2009.

<http://edocket.access.gpo.gov/2008/E8-23984.htm>

AES FILING – REMINDER

As mentioned in Rogers & Brown's June 2008 Bulletin, the U.S. Census Bureau issued its final rule implementing provisions requiring mandatory filing of export information through the Automated Export System (AES), and as a result the 90-day implementation period expired September 30, 2008. Beginning October 1, 2008, exporters were required to file their export information electronically through AES or AES Direct.

The primary responsibility of compliance falls on the U.S. Principal Party in Interest (USPPI), which is normally the exporter. So in order to comply with the new AES regulations where Rogers and Brown is acting on behalf of the USPPI we are reminding our customers to please provide the necessary documentation such as the commercial invoice, commodity description along with the quantity and weights **2 business days prior** to the departure of the vessel from the U.S. port of laden.

This will allow us to have ample time to transmit the data to AES **1 business day prior** to the vessel sailing. If we can follow this process it will help avoid steep penalties. Also keep in mind that the carriers will not load any cargo that they have not received the AES information/ITN # as they will face the same penalties.

Under these new regulations tougher penalties were put into place that will impact many parties in the export process. Penalties may be imposed per violation of the Foreign Trade Regulations (FTR) from \$1,000 to \$10,000 both civil and criminal, for the delayed filing, failure to file, false filing of export information, and/or using the AES to further any illegal activity.

Rogers and Brown is available for any questions or concerns you may have on this matter, or for additional further information regarding the new regulations go to: <http://www.census.gov/foreign-trade/aes/documentlibrary/index.html>.

BUREAU OF INDUSTRY AND SECURITY (BIS)

The Bureau of Industry and Security has published "Core Elements of an Effective Export Management and Compliance Program", shown below, and posted them on their website, along with seminar details relating to this program (www.bis.doc.gov).

1. Management Commitment: Senior management must establish written export compliance standards for the organization, commit sufficient resources for the export compliance program, and ensure appropriate senior organizational official(s) are designated with the overall responsibility for the export compliance program to ensure adherence to export control laws and regulations.
2. Continuous Risk Assessment of the Export Program
3. Formal Written Export Management and Compliance Program: Effective implementation and adherence to written policies and operational procedures.
4. Ongoing Compliance Training and Awareness
5. Cradle to Grave Export Compliance Security: Screening of employees, contractors, customers, products, and transactions and implementation of compliance safeguards throughout the export life cycle including product development, jurisdiction, classification, sales, license decisions, supply chain, servicing channels, and post-shipment activity.
6. Adherence to Recordkeeping Regulatory Requirements
7. Internal and External Compliance Monitoring and Periodic Audits
8. Internal Program for Handling Compliance Problems, including Reporting Export Violations
9. Completing Appropriate Corrective Actions in Response to Export Violations

See BIS's seminar schedule for EMCP training [seminars](http://www.bis.doc.gov/complianceandenforcement/emcp_core_compliance.htm) offered to assist in developing or enhancing your organization's EMCP. http://www.bis.doc.gov/complianceandenforcement/emcp_core_compliance.htm

PERIODIC MONTHLY STATEMENT

On October 17, 2008 the Federal Register included the assessment and mitigation of claims for liquidated damages for nonpayment or late payment of estimated duties for Periodic Monthly Statement Payment.

Periodic Monthly Statement allows importers the benefit of paying all of the duties for entries filed and released in a month on the 15th business day of the following month.

For more information relating to the liquidated damages for late payment of duties filed using Periodic Monthly Statement go to: http://apps.cbp.gov/csms/docs/17305_153870812/PMS_Liq_Dams_FRN.pdf

IMPORTER SECURITY FILING (10 + 2)

The most recent information available indicates that the final publication will be within the next week or two.

Importers should be reviewing their processes now to determine who their filer will be of the data (24 hours before the shipment loads overseas destined for the United States), and how the information will be provided to the filer (electronically, verbally, etc).

Rogers & Brown has the electronic capabilities, and will be capable of offering the Security Filing services for our import customers, if requested, and as needed.

HOLIDAY SCHEDULE

Thanksgiving, Christmas and New Year's Holiday Schedule:

Thursday, November 27th - Closed

Friday, November 28th - Open

Wednesday, December 24th – Open

Thursday, December 25th – Closed

Friday, December 26th - Open

Wednesday, December 31st – Open

Thursday, January 1st – Closed

Friday, January 2nd - Open

ROGERS & BROWN

Corporate Office
P.O. Box 20160
Charleston, SC 29413-0160
Phone: 843.577.3630

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CHECK OUT OUR WEBSITE!

WWW.ROGERS-BROWN.COM



Brown Distribution Centers, Inc.

9551 William Aiken Road, Ladson, SC
29456 TX 77032 - Phone: 843.875.9330

Mark Hughes began his career with Rogers & Brown in February 2004. During his 4+ years with the company, he has worn many hats: account representative, team leader, account manager, and now currently holds position of Director of Brown Distribution Centers. His first position was in the Export department which paved an international attribute that has contributed strongly in warehousing services. Mark arrived in Charleston shortly after graduating from Old Dominion University in Norfolk, VA where he double majored in marketing and decision sciences.



Ships, trains, planes, nor trucks move product. People do. People who show up to work each day with sleeves rolled up. Proud employees dedicated to the success of their clients. Loyal folks who understand that time is money, assembly lines cannot stop, cars need tires.

The sleep we sacrifice puts our clients at ease. The solutions we invent help streamline business and move cargo faster. Global networks we build make storms, port congestion and tight security restrictions small hurdles. We are Rogers & Brown. Our tireless efforts bring certainty to an industry where much is left to chance.

Our clients see us as more than a dedicated partner. They see us as heroes. Everyday

Disclaimer Notice:

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