

# TRADE TALK

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## RISING FUEL COSTS AND FUEL SURCHARGE

The continuing rise of fuel has carriers looking at methods to help offset costs. One major carrier, Schneider National, announced May 08, they will turn their tractors down to sixty miles per hour. This effort will reduce their fleet's consumption of diesel fuel by more than 3.75 million gallons per year and reduce truck CO2 emissions by 83.25 million pounds per year. This is the equivalent of taking 7,259 cars off the nation's highways. Schneider National's fuel management program is industry-leading. The 60 mph speed limit clearly meets what the American Trucking Association is calling on carriers to do.

*Source: Schneider National news release dated May 8, 2008*

Fuel surcharge has become the "norm" for added costs to Customers and is necessary for the carrier to offset rising fuel costs. It's a necessary "evil" in order to do business in today's market place. Most of the additional cost in the form of fuel surcharge gets passed down and finally ends up with the consumer paying higher costs when making purchases.

To put fuel surcharge in perspective, shippers are paying more in fuel surcharge per mile than the carriers are paying the driver per mile. Carriers are firm in demanding fuel surcharge at some agreed upon level in order to do business. Fuel surcharge is necessary for both the shippers, in order to get trucks and the carriers in order to stay in business. Unless fuel prices drop considerably, fuel surcharge is here for the long haul.

If you need assistance or have questions relating to transportation throughout North America contact Ernest Laster, Director of Rogers & Brown North American Logistics, at 864-801-8300, ext. 101.

## CBP RECENTLY ISSUED A MEMORANDUM ANNOUNCING A NEW POLICY FOR ISA MEMBERS

Textile Importers, that are members of the Importer Self Assessment Program (ISA), will receive a more lenient detention policy that allows for origin verification to be conducted on a post entry basis. This should allow the freight to continue to move, as opposed to the freight being detained until production records can be obtained. For additional information contact Floyd Sirico, Entry Manager, at 843-958-2291.



### INSIDE THIS ISSUE:

SPACE AND EQUIPMENT FOR EXPORTS ARE A CONTINUING CHALLENGE	2
CBP INCREASES INTELLECTUAL PROPERTY RIGHT SEIZURES FOR FISCAL YEAR 2007	2
EXPORT TRAINING PROGRAMS	2
PRIORITY TRADE ISSUES	3
10+2	3
AUTOMATED COMMERCIAL ENVIRONMENT	3

## SPACE AND EQUIPMENT FOR EXPORTS ARE A CONTINUING CHALLENGE

Exports out of the United States are booming, however, many shippers are having trouble getting equipment to move the freight and must book weeks and months in advance. Previously companies had a basic plan with a general idea of when and how much they were going to be shipping out in the coming weeks, months, and year. Now they are required to have much more detailed, and accurate information. Shippers are being held accountable for bookings made with steamship lines well in advance of ship dates, in many cases, as much as four to six weeks in advance.

Also, if a shipper cannot meet the deadline for the booking they will be penalized for cancelled bookings, and will not necessarily be rolled to the next sailing.

In addition, the cost of moving empty containers to the inland locations throughout the US for export loading is too high and therefore the containers are leaving the United States empty. The result is minimal equipment, limited space, which is resulting in higher costs.

**"You don't  
drown by  
falling in the  
water. You  
drown by  
staying  
there"**

**Anonymous**

## CBP INCREASES INTELLECTUAL PROPERTY RIGHTS SEIZURES FOR FISCAL YEAR

The domestic value of Customs' and Border Protection's Intellectual Property Rights seizures totaled \$196,754,377 for Fiscal Year 2007. This was an overall increase of 27 percent from the previous Fiscal Year. Included in the FY 2007 seizures, CBP seized over \$27 million in IPR-infringing products that could have posed import safety risks to consumers. Import Safety, along with IPR, have been noted as Priority Trade Issues for CBP.

China was the top source country for IPR seizures of infringing products in FY 2007, accounting for 80% of the total domestic value seized. Footwear was the top commodity seized, accounting for 40% of the total domestic value.

For additional details and information relating to top Trade Partners and Commodities go to the Customs website at [www.cbp.gov](http://www.cbp.gov), or follow the link shown below.

[IPR Seizure Statistics](http://www.cbp.gov/xp/cgov/trade/priority_trade/ipr/seizure/) - [http://www.cbp.gov/xp/cgov/trade/priority\\_trade/ipr/seizure/](http://www.cbp.gov/xp/cgov/trade/priority_trade/ipr/seizure/)

## EXPORT TRAINING PROGRAMS

Bureau of Industry and Security (BIS) has recently posted online training modules to their website relating to US exports. The training sessions, the time to complete and the transcripts are all included. The topics include:

Export Control Basics

Classifying your Item and Determining if you Need a License

General Prohibitions including Prohibited End-users and End-uses and activities

Deemed Exports – Introduction to BIS Deemed Export Policies

The link to the BIS website and training is below:

<http://www.bis.doc.gov>

## PRIORITY TRADE ISSUES

U.S. Customs and Border Protection (CBP) recently published on its [website](http://www.cbp.gov/xp/cgov/trade/priority_trade/ipr/seizure/) ([http://www.cbp.gov/xp/cgov/trade/priority\\_trade/ipr/seizure/](http://www.cbp.gov/xp/cgov/trade/priority_trade/ipr/seizure/)) its current list of Priority Trade Issues (PTIs). CBP states that PTIs are "issues that cause significant revenue loss,

economic risk to U.S. industry or represent health and safety concerns to citizens." They are considered areas of high risk, and CBP focuses limited resources on these areas as part of risk management. The PTIs are identified as:

- Agriculture

- Antidumping and Countervailing Duties (ADCVD)
- Import Safety
- Intellectual Property Rights
- Penalties
- Revenue
- Textiles

In addition to Agriculture being a Priority Trade

Issue, there is an expectation of increased Ag exams. There has been evidence that counterfeit SWP (Solid Wood Packing) stamps have been found, so the Agricultural Inspectors are expected to increase the scrutiny of wood packing materials.

## 10+2

No final details on the 10+2 at the time of this publication. As a recap from earlier this year, on January 2, 2008, Customs and Border Protection published a notice of proposed rulemaking (NPRM) entitled IMPORTER SECURITY FILING AND ADDITIONAL CARRIER REQUIREMENTS in the *Federal Register* (<http://a257.g.akamaitech.net/7/257/2422/01jan20081800/edocket.access.gpo.gov/2008/E7-25306.htm>). This NPRM on the security filing commonly referred to as the "10 + 2" rule is intended to fulfill the requirements found in the SAFE Port Act of 2006 and the Maritime Transportation Security Act of 2007.

The comment period, originally scheduled until March 3<sup>rd</sup>, 2008, was extended by 2 weeks.

The proposed security filing involves the electronic notification, currently through ABI and AMS, to Customs of certain data elements (shown below) 24 hours before the freight destined to the United States is loaded overseas.

1. Manufacturer Name & Address
2. Seller Name & Address
3. Buyer Name & Address
4. "Ship To" Name & Address
5. Container stuffing location
6. Consolidator (stuffer) location
7. Importer of Record Number/FTZ applicant identification number
8. Consignee number(s)
9. Country of Origin
10. Commodity HTSUS number(s)

The 2 remaining 2 data elements are standard information typically available, and to be supplied by the steamship line.

Vessel Stow Plan  
Container status message

## AUTOMATED COMMERCIAL ENVIRONMENT (ACE)

Rogers & Brown has received several inquiries from import companies relating to ACE, its benefits, how to apply, etc. Detailed information concerning this program and how to apply can be found at the following link: [http://www.cbp.gov/xp/cgov/trade/automated/modernization/ace\\_app\\_info/](http://www.cbp.gov/xp/cgov/trade/automated/modernization/ace_app_info/)

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**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.**

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