

TRADE TALK

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THANK YOU FOR YOUR BUSINESS

We can never let our customers know often enough how much we appreciate the business that we do together. All of us are tasked to do more and more with less resources and we don't often make the time to visit our clients enough and let them know we appreciate them and to make certain that they are aware of all of the various services we provide and how we might be able to provide them with a full solution for their transportation needs. We encourage all of our customers to visit our website to learn more about our services and if you need to have a sales or operations person visit with you or your staff please let myself or any of our staff know so that we can make a point to come visit you. Our management contact information is on the website at www.rogers-brown.com or you can contact Christina Hughes, my executive assistant at 843-577-3630 and she will arrange to have the proper individual(s) call or visit with you.

From a customer service standpoint I sincerely hope that we are meeting or exceeding your expectations. We believe that all of our employees work very hard to keep our customers happy, but we don't always hear about them either because they are quietly providing excellent customer service day in and day out or they are not dealing with a particularly exciting or high-profile shipment or situation. We value our employees and look for feedback not only from our managers and fellow employees, but would love to hear from our customers about a specific individual that has performed consistently or as noted above has performed an exemplary job on a particular shipment or project. We want to be sure to recognize and highlight these individuals appropriately. If you feel that you have a compelling or just ordinary excellent service story to tell please send it to me at Mike_Fowler@rogers-brown.com or write me at the below corporate address.

CUSTOMS AND BORDER PROTECTION GET TOUGH ON WOOD PACKAGING MATERIAL (WPM)

Effective March 9th, 2007 Customs and Border Protection (CBP) announced that they would begin to issue fines and penalties for parties violating regulations covering the importation of wood packaging material. Importers, bonded custodians and in certain cases, carriers, may be held liable for penalties when violations are discovered. This new enforcement effort was believed to have been brought about by widespread violations in the importing community. Designed to decrease the risk of introducing plant pests into the United States, particularly the Asian long horn beetle, final rules were promulgated by the US Department of Agriculture and were put on the books in September 2004. Similar regulations adopted in other countries addressed infestations of the pine worm nematode and other pests. Since liquidated damages can total up to three times the entered value of the merchandise, shippers need to make certain that they and their suppliers are in compliance with these new guidelines. For additional information regarding the new guidelines go the Customs link at http://www.customs.ustreas.gov/xp/cgov/import/commercial_enforcement/wpm/.



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COMMERCE PROVIDES EXPORT ASSISTANCE TO SMALL AND MEDIUM SIZED MANUFACTURERS

The Commerce Department recently announced that it has set a goal to provide export assistance to small and midsize manufacturers in order to expand U.S. exports of manufactured goods. They have assigned a senior officer to the National Association of Manufacturers to assist those interested in exporting their products or to assist those interested in expanding their overseas sales. This individual will actually spend the next two years at the National Association headquarters providing export assistance to its member companies. The U.S. and Foreign Commercial Service mission is 1) to promote the export of goods and services from the U.S., particularly by small and medium-sized businesses, 2) to represent U.S. business interests internationally, and 3) to help U.S. businesses find qualified international partners. The Commerce Department provides a wealth of information to assist both exporters and prospective exporters understand more about the rules and regulations governing exporting. The Trade Information Center operates a toll free number at 1-800-USA-TRADE (1-800-872-8723) providing such information as locating and using government programs, the export process, sources of general market information, and basic export counseling as well as how to obtain reports and statistics from the U.S. Commercial Service's market research library. You can also obtain a free copy of the Export Programs Guide: A Business Guide to Federal Export Assistance. For additional information and assistance go to www.export.gov.

Along similar lines, the Export-Import Bank of the U.S. has a great deal of information related to exporting and produces an electronic newsletter full of helpful information for exporters. The goal of the **Export-Import Bank** is to support the financing of U.S. goods and services, maintaining and creating more U.S. jobs. For more information check out their website at <http://www.exim.gov/>.

**And so, my fellow
Americans, ask not
what your country
can do for you;
Ask what you can
do for your
country
John F. Kennedy**

SECURITY ISSUES REMAIN AT THE TOP OF EVERYONE'S AGENDA

Feeling like a broken record talking about security – yep so do I! Between Customs and the Transportation Security Administration, shippers, ports, and logistics providers are scrambling to comply, and sometimes just waiting for clarification regarding the many security initiatives currently on the table. ACE, C-TPAT, SAFE 10+2 Initiatives, and TWIC are but a few of the new programs that create uncertainty and the possibility of changing the way importers, exporters and logistics providers deal with their supply chains whether locally or internationally. Many factors will come into play that might necessitate changes in how shippers secure service providers, the numbers of service providers they use, how they maintain and control their inventory, how they evaluate their suppliers, manufacturers and service providers, which countries they export from, and in some instances, which ports they utilize. As we learn more and more about these various programs we are continually adapting to the necessary and sometimes confusing changes to determine how we all must conduct our business. This changing environment is not only driven by the obvious need to have a more secure supply chain, but sometimes by overly politically ambitious (and logistics ignorant) congressional leaders trying to out-secure the other. This simply does not lend itself to the most efficient and logical solutions. Hopefully newer and more sophisticated technologies will be developed that will mitigate much of the need for more manual and often intrusive methods of making certain shipments are free of nuclear, biological or chemical tampering. Most of these programs have been addressed in previous issues of TradeTalk, but as we get clarification on the various programs we will pass that information along to you. As an Indirect Air Carrier we are not at liberty to divulge certain aspects of our security program which has led to a level of frustration with many air-cargo shippers in that they do not know if they are in compliance or not at times. Until some of these new guidelines have been tried, tested, and adjusted, there will likely be continued confusion. As we move forward in the coming months and years these systems will hopefully become less intrusive because of improvements in systems and more sophisticated technologies. As a certified and validated member of C-TPAT, we must continually make certain that our security systems are up to date and that we are in compliance with the newly issued guidelines for our industry. Our compliance group not only keeps our company compliant, but they can provide assistance and guidance for those customers wishing to become C-TPAT certified. You can contact Beth Morris at 843-577-3630 X235 for additional information.

EU REACH REGULATIONS IMPACT EXPORTERS

Registration, Evaluation and Authorization and Restriction of Chemicals (REACH) is a new European Union set of regulations related to products that release chemical substances into the environment. This new program, which will be phased in starting this June, covers 30,000 chemical substances and has been dubbed “the world’s most ambitious law on public health and environmental protection and one of the most complex texts in the history of the EU”. The text includes some 1000 pages of legal text and technical annexes, including some that have yet to be finalized.

Unlike some regulations, the rules of REACH are based on the substance used in each product, not its end use. Seat cushions, paints, perfumes, cosmetics and similar products that emit or release any chemical substance, would be covered under these new complex rules. For instance, garments treated with pesticides for use while hiking in the woods would be covered whereas ordinary garments would not. The manufacturer of a product will not necessarily need to register, but his EU importer and Europe-based downstream users and third-party representatives will be required to. Phase-in periods

will range from three to eleven years, depending on the substances. U.S. manufacturers and their importers in Europe will benefit from an extended deadline if they pre-register their substances with the European Chemical Agency in Helsinki, Finland by November 30, 2008. Products already registered under other European regulations, such as foods, pharmaceuticals, biocides and pesticides, will not need to be registered again through REACH and other low-risk substances such as water and oxygen, minerals, ores or concentrates, and polymers will be exempt. As with all

new programs, many details are unknown and rules and regulations are still being developed. For more information on this new program you can go to http://ec.europa.eu/environment/chemicals/reach/reach_intro.htm.

There will obviously be a financial impact on all companies who export chemical emitting products to the EU.

We will continue to monitor the evolution and developments related to these new guidelines and will keep you informed.

KOREAN FREE TRADE AGREEMENT (FTA) REACHED AT LAST

On April 1st President Bush formally notified Congress of his intent to enter into a free trade agreement with the Republic of Korea (KORUS). The timing of the notification means that under the rules of Trade Promotion Authority (TPA) that was extended to the President in the Trade Act of 2002, the implementing legislation for the proposed trade agreement is eligible for consideration under fast-track procedures. With TPA expiring on June 30, 2007, and a requirement to submit the agreement 90 days prior, it was imperative to get the

agreement submitted by April 1st, 2007. Korea, an advanced economy with strong worker rights and environmental laws is also strong on financial services, transparency, competition, and market access issues. Under the FTA, 95% of industrial and other goods will be duty-free within three years. On textiles, the negotiator said that the agreement adopts the “yarn-forward” rule, “strong customs rules,” and safeguard provisions. For more information regarding KORUS you can go to <http://www.ustr.gov/>

[Document Library/Press Releases/2007/April/United States Korea Conclude Historic Trade Agreement.html](#) and for information about other trade agreements go to http://www.ustr.gov/Trade_Agreements/Section_Index.html. If you have additional questions regarding whether or not you can take advantage of any of these Trade Agreements, contact Beth Morris or Janice McEachern in our Drawback and Special Services Group at 843-577-3630 X235 & 267 respectively.

**You cannot help
men permanently
by doing for them
what they could
and should do for
themselves.**
Abraham Lincoln

REMOTE LOCATION FILING REGULATIONS TO BECOME LAW

The Bureau of Customs and Border Protection (CBP) is proposing the rules for implementing Remote Location Filing (RLF) become final. Having operated through the National Customs Automation Program (NCAP) as a test program for a number of years, CBP submitted proposed rulemaking: request for comments on March 23, 2007. The RLF program has allowed an RLF filer to file electronically with CBP those entries and related information that CBP can process in a completely

electronic data interchange system from a location other than where the goods will arrive. By using electronic filing, RLF should reduce paperwork that is costly to create, review and store. RLF also enables a customs broker with a national permit to serve several port locations without the cost of maintaining multiple physical offices. In addition to those ports already operational for RLF purposes, CBP intends to have all service ports RLF-operational prior to the effective date of any final action on these regulatory

proposals. Interested persons are invited to participate in this rulemaking by submitting written data, views, or arguments on all aspects of the proposed rule. For more information on this proposed rule go to <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/07-1330.htm> or go to our website under News Center and click on the Remote Location Filing article.

“Believe in yourself. Have faith in your abilities! Without a humble but reasonable confidence in your own powers, you cannot be successful or happy.” – Norman Vincent Peale

GEORGIA, SOUTH CAROLINA PLAN BISTATE PORT

Georgia Governor Sonny Perdue and South Carolina Governor Mark Sanford recently announced plans for an independent agency to own, develop, and operate a port facility on a site in Jasper County, South Carolina. Located approximately 12 miles closer to the ocean from the existing port of Savannah, the Jasper County terminal site contains approximately 1800 acres of Georgia-owned land on the South Carolina side of the Savannah River. Although the ports of Savannah and Charleston would continue to operate their existing ports, this new terminal would compete directly with those two facilities. Both ports have other projects in the works

which will continue, but if they can work out a joint plan for development of the Jasper County site it would obviously eliminate years of legal wrangling to the benefit of both states. Other ports have been successful in this type of arrangement and in order to remain competitive with other ports along the East and Gulf coasts, new terminals must be built in the Southeast, which according to projections, is falling behind in current and future capacity. There will be a lot of hurdles to overcome as this project moves forward and it will be interesting to see if a final agreement can be consummated. As was noted in a recent article, Georgia and South Carolina have been

known as the equivalent of the Hatfields and McCoys when it comes to competing for international business. The two governors have each appointed a committee that will have six months to formulate details on how the project will proceed.



HAITIAN APPAREL DUTY-FREE IMPORTS CAPPED

The Haitian Hemispheric Opportunity Through Partnership for Encouragement Act of 2006 (HOPE) provides for duty-free treatment for certain apparel articles imported directly from Haiti. Section 213A (b)(2) of HOPE provides duty-free treatment for apparel articles wholly assembled, or knit-to-shape, in Haiti from any components knit-to-shape, and yarns, if the sum of the cost or value of materials produced in Haiti or one or more countries, as described in HOPE, or any combination thereof, plus the direct costs of processing operations performed in Haiti or one or more countries, as described in HOPE, or any combination thereof, is not less than an applicable percentage of the declared customs value of such apparel articles; however, these products are subject to quantitative limitation. For the initial one-year period, beginning December 20, 2006 and extending through December 19, 2007, the quantity of imports eligible for preferential treatment under this provision is 238,785,275 square meters equivalent. Under HOPE these quantities will be recalculated for each subsequent 12-month period. Apparel articles entered in excess of these quantities will be subject to otherwise applicable tariffs. For the full context of the Federal Register Notice go to <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/E7->

U.S.-EU REACH OPEN SKIES AGREEMENT

To many countries' surprise, the transportation ministers from the 27 member countries of the European Union unanimously approved the Open Skies agreement negotiated with the United States earlier this past month. The agreement will allow European airlines to fly between any EU country and any U.S. city. However, U.S. airlines will be permitted to fly direct between two EU countries. An EU airline domiciled in one EU country would not be

limited to departing (or landing) exclusively from an airport in the home country, but could fly out of any EU airport to a U.S. airport. The agreement does not allow an EU airliner to fly between two U.S. cities. The British minister dropped his final objections to the accord after reaching agreement that the EU would withdraw from the agreement within two years, unless the United States allows EU airlines to fly between U.S. states, and opens up U.S.-flag air carriers

to greater foreign investment.

The transportation ministers agreed to impose a five-month delay in implementing the agreement postponing the start until March 1, 2008. This new agreement should provide savings to air travelers and communities on both sides of the Atlantic once it becomes effective.

“The only thing more contagious than enthusiasm is the lack of it.”

Anonymous

WEST COAST DOCKWORKER CONTRACT EXPIRES

Representatives of shipping lines vowed that there would be no repeat of the labor dispute in 2002 which shut down the West Coast ports for 11 days and drove business to competing ports and ended up costing the U.S. economy at estimated \$15 billion. According to the president of the Pacific Maritime Association, the next contract, which is scheduled to expire the end of 2008, should be negotiated early and hopefully resolved by the end of this year.

C-TPAT UPDATE – ROGERS & BROWN NEEDS YOUR ASSISTANCE

As a validated participant in C-TPAT (Customs-Trade Partnership Against Terrorism), Rogers & Brown is required to notify our importers of certain requirements as it pertains to the newly implemented Minimum Security Criteria for Customs Brokers. Under the new criteria, Customs Brokers are required to inform our business partner importers, whether they are a C-TPAT member or not, the importance of having supply chain security procedures in place. These procedures must be in place at the point of stuffing/loading of your goods to inspect, properly seal, and maintain the integrity of the shipping containers and trailers.

The sealing of trailers and containers, to include continuous seal integrity, are crucial elements of a secure supply chain and as such all U.S. bound containers and trailers must meet or exceed the current PAS ISO 17712 standards for high security seals. You or your business partners should also institute procedures for recognizing and reporting compromised seals to U. S. Customs Border Protection (CBP) or to the appropriate foreign authority.

There is also a seven-point

inspection process for empty containers prior to the loading of the cargo as well as a seventeen-point inspection process for all trailers/tractors (U.S. Northern and Southern border crossings).

The 7-Point Inspection Process is recommended for all containers and will verify the physical integrity of the container prior to stuffing and includes:

- Outside/Undercarriage (before entering facility)
- Inside/Outside doors
- Right Side
- Left Side
- Front Wall
- Ceiling/Roof
- Floor (Inside)

The 17-Point Tractor and Trailer Inspection Process is recommended for all trucks and trailers arriving from foreign and includes:

- Bumper
- Engine
- Tires (truck & trailer)
- Floor
- Fuel Tanks
- Cab/Storage Compart

ments

- Air Tanks
- Drive Shafts
- Fifth Wheel
- Outside/Undercarriage
- Floor
- Inside/Outside Doors
- Side Walls
- Ceiling/Roof
- Front Wall
- Refrigerated Unit
- Exhaust

These inspection procedures are designed to detect any tampering or unusual changes to the physical appearance of, or the structural and physical integrity of the contain or tractor/trailer.

We encourage all of our client importers to become C-TPAT participants. There are many reasons to become a C-TPAT participant such as a reduction in inspections, FAST lane clearance and tiered benefits. For more information regarding C-TPAT, please go to CBP's website at http://www.customs.ustreas.gov/xp/cgov/import/commercial_enforcement/ctpat/security_criteria/.

For those C-TPAT participants who have not already done so, please email your Status Verification Interface Number (SVI #) to beth_morris@rogers-brown.com. If you have any questions regarding this article, please contact Beth Morris at (843) 958-2235 or Janice McEachern at (843) 958-2267.



We are a certified and validated member of Customs-Trade Partnership Against Terrorism.

“The ultimate responsibility of a leader is to facilitate other people’s development as well as his own.”
– Fred Pryor

DHS RELEASES REGULATIONS FOR HIGH RISK CHEMICAL FACILITIES

The U.S. Department of Homeland Security released an interim final rule April 9th that for the first time imposes comprehensive federal security regulations for high risk chemical facilities. The department sought and reviewed comments from state and local partners, Congress, private industry, and the public to develop consistent guidelines using a risk-based assessment approach. The new rule gives the department authority to seek compliance through

imposition of civil penalties of up to \$25,000 per day, and the ability to shut down non-compliant facilities.

This rule establishes risk-based performance standards for the security of our Nation's chemical facilities and requires covered chemical facilities to:

- Prepare Security Vulnerability Assessments, which identify facility security vulnerabilities, and to

- Develop and implement Site Security Plans, which include measures that satisfy the identified risk-based performance standards

It also allows certain covered chemical facilities, in specified circumstances, to submit Alternate Security Programs in lieu of a Security Vulnerability Assessment, Site Security Plan, or both.

This regulation is effective June 8, 2007, except for Appendix A to part 27. A

subsequent final rule document will announce the effective date of Appendix A to Part 27. Comments related to the addition of Appendix A to part 27 only will be accepted until May 9, 2007. To review the full content of the interim final rule go to: <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/E7-6363.htm>.

REGIONAL TRADE SEMINARS

34th Annual South Carolina International Trade Conference, May 29-31, 2007 at the Charleston Place Hotel, Charleston, SC. This event has traditionally been a premier conference in the southeast attracting more than 500 participants each year. Come join the festivities and enjoy the beautiful and historic City of Charleston and surrounding area while educating yourself on current events impacting the logistics industry. In addition to many industry professionals and experts, Tommy Lasorda, who led the Los Angeles Dodgers to

eight division titles and two World Championships as manager, will be the keynote speaker on Wednesday, May 30th. If you have not registered please make your reservations soon as this time of year in Charleston can be extremely busy and hotel accommodations can be difficult to secure. We would also like to know if you are going to attend and would appreciate you visiting our corporate office. For registration information go to <http://www.scsipa.com/scitc/scitc.asp> or you can contact our Director of Sales and Marketing, Mr. Ken

Bolin at 864-801-8300 X111 or email at Ken_Bolin@rogers-brown.com. If you need assistance securing accommodations in Charleston, please contact Ms. Christina Hughes at 843-577-3630, extension 202.

Virginia Maritime Association (VMA) 2007 International Trade Symposium, May 10-11, 2007 at the Norfolk Marriott Waterside. The theme of this year's symposium is Navigating Future Growth. Subjects such as Redefining the Intermodal Landscape, Striking a Bal-

ance: "Could railroads find containers as attractive as coal cars?", and Playing the Terminal Lottery. These events will conclude with the VMA's 87th Annual Maritime Banquet with the Honorable Jim Webb, United States Senator, as the keynote speaker. For registration information go to <http://www.vamaritime.com/symposium>.

MANAGEMENT CHANGES/PROMOTIONS

Amy Englert - District Sales Manager – Formerly with Miller Transfer, Virginia Beach, VA, Amy joined Rogers & Brown in February of 2007. Amy will be based in our Norfolk, VA office and will cover the Virginia/Maryland & Northeastern North Carolina areas. Amy has extensive experience in the transportation business in both domestic trucking and international logistics dating back to 1975. Amy is originally from New York, but has lived in Virginia since 1979. Amy and her husband reside in Virginia Beach, VA.

ROGERS & BROWN

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CHECK OUT OUR WEBSITE!

WWW.ROGERS-BROWN.COM



The above picture is of our Rogers & Brown Atlanta office. We moved into this facility in January of this year. We have approximately 30,000 sq. ft. of warehouse space. Call us for your warehousing & distribution services including palletizing, shrink-wrapping, pick & pack, labeling, etc.

107 Forest Parkway, Suite 100
Forest Park, GA 30297
Phone: 404.766-4040
Contact: David Morris



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

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