



http://www.rogers-brown.com/int_1_freight_forwarder.html

Tradetalk

A ROGERS & BROWN NEWSLETTER

INT'L. FREIGHT FORWARDERS, FMC# 1194, CUSTOMHOUSE BROKERS, CBH# 4005, INT'L. AIR TRANSPORTATION ASSOC. IATA# 01-17027

July 2006

Rogers & Brown Freight Forwarding Full Speed Ahead

Rogers & Brown continues to receive accolades from clients on its consolidation and full container services from many areas of the world, but especially from Germany, Shanghai and Hong Kong. Our service from Germany provides a 14 day transit time into our CFS in Charleston. Our China service is all-water service loading in Shanghai and moving directly to Charleston offering a 27 day transit and from Hong Kong a 22 day on the same vessel which calls Charleston as its next stop after loading in Hong Kong.

Rogers & Brown is one of the top 5 forwarder/NVOs on a net volume basis in the Australia/New Zealand lane offering service between the East, Gulf and West Coast ports offering full coverage to Australia and New Zealand both on a direct service as well as offering economical service on a trans-shipment basis.

APHIS Wood Packing Rules

Just a reminder to all that the new wood packing rules began with full enforcement July 5. If you have any questions regarding the new rules go to the APHIS website at www.aphis.usda.gov/ppq/wpm/import.html or call their toll-free number at 866-738-8197. Remember that these guidelines will be enforced in Canada, Mexico, and the United States and if your shipments are not in compliance they will be denied entry into the commerce of the United States.

**"There is no such thing as a good tax."
Winston Churchill**

New Transportation Security Administration (TSA) Regulations

The Transportation Security Administration (TSA) recently issued new air cargo security regulations covering shipments not only on all cargo planes, but on passenger planes as well. The final rule was published in the Federal Register on May 26, 2006 and will take effect on October 23, 2006. The purpose of the new regulations is obviously to enhance and ensure the security of air cargo transportation, especially on cargo handlers of all types and on passenger planes in particular. The regulations expand TSA's authority to test and inspect cargo and corresponding documentation or records at any time. In addition cargo handling employees and agents are now subject to criminal history record checks. Owners, officers, directors, and possibly certain cargo handling personnel must have background checks performed prior to October 23. The new regulations will prohibit air transport without a shipper's consent to search agreement. As an Indirect Air Carrier, Rogers & Brown must have a security program in place with annually updated training records to be in compliance the previous regulations and to meet the new requirements. We will be updating our existing program to be compliant with the new regulations in accordance with the Transportation Security Administration guidelines. For additional information you may contact Tanya Burton, our Air Freight Manager at 864-879-2157. For a complete review of the new TSA regulations you see the link below in Interesting Sites or Documents.

Foreign Trade Zones Increasing in Popularity

The United States saw tremendous growth in the FTZ sector in the 1980s as a result of US businesses' desire to be more competitive internationally. That growth has resurfaced and in greater numbers. This can be attributed in large part to the signing of the Trade and Development Act of 2000.

This Act provided for the "Weekly Entry" procedure for all manufacturing and distribution articles leaving a Foreign Trade Zone within a given week that will be entered for consumption into the United States. This not only allows for duty deferral of a product until it

actually leaves the FTZ for consumption, but provides for the maximum payment of MPF (merchandise processing fee) of \$485 once a week instead of on every Entry into the United States.

As a result, many high volume importers, including those entering product into the US duty free, are benefiting from using Foreign Trade Zones. Some of the benefits of a Foreign Trade Zone include:

- **Financial Benefits**
 - **Duty Exemption**
 - **Duty Deferral**
 - **Inverted Tariff.** In situations where zone manufacturing results in a finished product that has a lower duty rate than the rates on foreign inputs (inverted tariff), the finished products may be entered at the duty rate that applies to its condition as it leaves the zone -- subject to public interest considerations.
 - **Ad Valorem Tax Exemption**-- Foreign goods and domestic goods held for export are exempt from state/local inventory taxes. FTZ status may also make a site eligible for state/local benefits which are unrelated to the FTZ Act depending on the location
- **Streamlining of Process/Procedures** --"weekly entry" or "direct delivery".
- **No time constraints on Storage**
- **May Satisfy Export Requirements**
- **"Best Practice" for C-TPAT Participants when a transaction terminates in a Zone**
- **Typically there is Increased Security and Inventory Management in a zone**

Rogers & Brown has worked with several customers on their specific Foreign Trade Zone needs, and offers services such as electronic IT (to move freight into a Zone), e214, electronic T&E (to move freight out of a Zone and to the port for export). For more information on Foreign Trade Zones visit www.trade.gov/ftz or contact Rogers & Brown.

"Anyone who takes himself too seriously always runs the risk of looking ridiculous; anyone who can consistently laugh at himself does not." – Vaclav Havel

Interesting Sites and Links

<http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/06-4800.htm> - New TSA Air Cargo Security Requirements – Federal Register dated 5/26/2006

<http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/E6-8370.htm> - Revisions and Clarification of Deemed Export Related Regulatory – Federal Register dated 5/31/2006

<http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/E6-8499.htm> - Automated Commercial Environment (ACE): Periodic Monthly, Federal Register dated 6/2/2006

<http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/06-5591.htm> - Federal Trade Commission, Appliance Labeling Rule, Federal Register dated 6/21/2006

<http://www.fas.usda.gov> – United States Foreign Agriculture Service

<http://www.ita.doc.gov/tic> - United States Department of Commerce – Trade Information Center (TIC)

For more information check our News Center and Customer Support Sections of our new website.

Got Air Freight?

Have a shipment that can't wait for ocean transit? Keeping a customer satisfied or meeting customer or production demands can sometimes outweigh the extra cost of air transit. Sometimes shipping just an emergency supply of goods will allow you to meet those demands while still maintaining a cost advantage shipping the majority of your goods via ocean transit. Or maybe the nature of your goods simply requires them to be shipped via air. In any case, don't forget to include Rogers & Brown when considering your air freight needs. Rogers & Brown offers inbound and outbound air freight services from one (1) kilo to shipments that require total charter service. Whether it be door to door or door to airport, our air transportation group can handle all of your needs. Rogers & Brown is a fully certified Indirect Air Carrier (IAC) since inception of the program and has been an International Air Transportation Association (IATA) member since the mid 1970s. As a fully certified and compliant IAC carrier and IATA carrier we are qualified to handle your hazardous and non-hazardous shipments and with our contracted rates with major air carriers we are in a position to pass along savings to your company while servicing your needs worldwide. We have an air freight staff of individuals with partners in all major ports in the world serving your inbound and outbound air freight needs. For a quote contact Tanya Burton, Air Freight Manager, at 864-879-2157 or email at Tanya_burton@rogers-brown.com.

To whom much is give, much is required – Anonymous

Streamlining the Customs Entry Process with Remote Location Filing

As we continually work with our clients, our staff, and with our trading partners to streamline our processes, we have been able to become more efficient while at the same time providing a higher level of service to our customer base. With the advent of **Remote Location Filing (RLF)** which Customs implemented a number of years back, Custom Brokers have been allowed to clear most imported shipments arriving at any port in the country from central or multiple locations without the necessity to be physically located or licensed in that port. Rogers & Brown acquired their National Permit in 2000 and as such has been centralizing the clearance of imported shipments into various of its existing locations, based on the service requirements of the client. In most instances this capability has enhanced the service level over the older system of utilizing what is commonly referred to as an outport broker. Under the outport broker arrangement the entry preparation is normally done in Rogers & Brown's system and then transferred either manually or electronically to the outport broker's system since they must submit the entry on behalf of our customer after obtaining a power of attorney from Rogers & Brown. In providing customers with entry data, the actual entry prepared and submitted by the outport broker was not a part of our systems data and therefore would need to be maintained in a manner that required special intervention or treatment when including this data in report information to the client. With RLF all the data is generated, submitted and maintained in our files for easy access for our clients. Another exciting development that is available to our clients is the use of U.S. Customs and Border Protection's **Periodic Monthly Statement (PMS)** service. Trade account users have the ability to pay for shipments released during the previous calendar month by the 15th business day of the following month, providing a potentially significant cash flow advantage. Some of the benefits include the potential to receive more than 45 days interest-free float on your money, the ability to view statements as they are created (if you are an ACE portal account), and the ability to select either a national or port statement. For additional information about PMS, you can go to the following website address: http://www.cbp.gov/xp/cgov/newsroom/fact_sheets/trade/ace_statement_periodic_factsheet.xml or contact Sandra Horan at 864-801-8300 X106, Ken Bolin at 864-801-8300, or JoAnn Dixon at 843-577-3630 X291 for assistance or to discuss either of these available services.

Industry Developments and Updates

2007 Tariff Changes – Tariff changes for the coming year will be more extensive than in previous years for many importers and exporters. New trade agreements and modifications for compliance and duty issues could be significant. As we approach the end of this new tariff year we will keep you updated about the many changes. It is important for everyone to bring their procedures into compliance, both in the U.S. and overseas in order to avoid delays or ensure proper duty amounts are paid. Our staff will be studying these changes and will advise you of any necessary action you might need to take in the coming months.

Homeland Security Publishes Infrastructure Protection Plan - The Department of Homeland Security (DHS) published the National Infrastructure Plan recently that defines the roles of federal, state, and local governments, and the private sector, in securing a broad range of infrastructure, including agriculture, defense industry, chemical plants, and national monuments and icons. For full details of this plan go to <http://www.dhs.gov/nipp>. An executive summary as well as the full details of the plan can be downloaded at this location.

DOHA Trade Talks In Crisis - The World Trade Organization, the only global international organization dealing with the rules of trade between nations, has failed to reach agreement. The goal of the talks is to produce an agreement that will help producers of goods and services, exporters, and importers conduct their business. Major trading nations such as the U.S., India, the EU and Brazil failed to settle bitter arguments primarily over agriculture subsidies. The EU is under growing pressure from the U.S. and developing nations such as Brazil and India to open its markets to food imports by reducing agricultural tariffs, but farming nations oppose additional concessions. For more information on the talks go to http://www.wto.org/english/thewto_e/whatis_e/whatis_e.htm.

U.S. Trade Representative Announces 2006 GSP Petition Deadlines – The Office of the United States Trade Representative (USTR) will receive petitions in 2006 to modify the list of products that are eligible for duty-free treatment under the Generalized System of

Preferences (GSP) program, and to modify the GSP status of certain GSP beneficiary developing countries because of country practices. The deadline for submission of product petitions is 5 p.m., July 20, 2006. The deadline for submission of product petitions requesting competitive need limitation (CNL) is 5 p.m., November 17, 2006. For additional information go <http://www.rogers-brown.com/news/news.html> for links to this and related GSP Federal Register Notices.

Georgia Ports Announces Saturday Gate Operations – As more and more port authorities accommodate the increased container traffic, the Georgia Ports Authority and Gateway Terminals, Inc. announced regularly scheduled Saturday gate operations effective July 1, 2006. The following conditions must be met: 1. All Transportation must be Pre-Advised., 2. Gate Services will be restricted to Gate 4 only., 3. Hours of Operation will be 0800-1200, 1300-1700 with a lunch break., 4. Carriers will be required to provide accurate projected volumes to the Client Relations Center in order to insure proper manning, and 5. Reefer and Maintenance Services should be coordinated through the SS Line. For additional information regarding port facilities and operations go to <http://www.gaports.com/index2.html>.

PierPass Announces New Rules – PierPass recently announced new procedures for handling export container to ensure that exporters pay the required fees for moving their containers during peak daytime hours at the Port of Los Angeles/Long Beach. The definition of peak traffic periods at the gateway is 3 a.m.-6 p.m. Monday through Friday. Containers delivered during that period are assessed a traffic mitigation fee of \$50 per 20-foot container and \$100 per 40-foot container. The new procedure for exporters, which takes effect August 7th requires that exporters who deliver their containers to marine terminals during peak hours must claim their booking numbers before the containers arrive at the terminals. For more information on PierPass go to <http://www.pierpass.org/>.

Customs & Border Protection's Mandatory Security Portal Deadline Extended - CBP had advised all C-TPAT members that they will be required to post their current security profiles in the format made available on the new portal on or before August 1, 2006. As a result of a number of problems the deadline has been extended to October 1, 2006. Originally, all C-TPAT certified Importers and Carriers (all modes) were required to access the portal on or before August 1, 2006, with Customs brokers, U.S. Marine Port Authority/Terminal Operators, air freight consolidators, ocean transportation intermediaries, foreign manufacturers and NVOCCs accessing their portal before September 1, 2006. For the latest information regarding access requirements, you can go to the following website - http://www.customs.ustreas.gov/xp/cgov/import/commercial_enforcement/ctpat/implement_portal/.

Free Trade Agreements Abound – With so many trade agreements approved or in process of approval it can be difficult to keep up with all of them. For up to date information related to the various agreements you can access the status of all of them at the Office of the United States Trade Representative's website at http://www.ustr.gov/Trade_Agreements/Section_Index.html with details of the agreement, status of the agreements, background, and fact sheets.

Only those who risk going too far will ever know how far they can go!
Anonymous

Single Entry for Split Shipments

A final rule was published in the Federal Register on June 2, 2006 amending the regulations in title 19 of the Code of Federal Regulations to allow an importer of record, under certain conditions, to submit a single entry to cover multiple portions of a single entry which, due to its size or nature, arrives in the United States on separate conveyances. Since the legislation is silent on the affected modes of transportation it is apparent that the new law is to apply to merchandise shipped by air, land or sea. For the purposes of the final rule, an unassembled or disassembled entity consists of merchandise which is not capable of being transported on a single conveyance, but that is purchased and invoiced as a single classifiable entity, but by necessity, due to its size or nature, is placed on multiple conveyances which arrive at different times at the same port of entry in the United States. The subject arriving portions also are consigned to the same person or entity in the United States. The document institutes statutory changes made to the merchandise entry laws by the Tariff Suspension and Trade Act of 2000. For the full Federal Register document you can go to the following link http://www.rogers-brown.com/news/news_article.html?id=13. If you have additional questions you can contact JoAnn Dixon or Floyd Sirico at 843-577-3630.

Bureau of Immigration and Customs Proposes Rules Related to Hiring of Illegal Immigrants

In a Federal Register notice dated June 14, 2006, the Bureau of Immigration and Customs Enforcement is proposing amendment to its regulations related to the unlawful hiring or continued employment of unauthorized aliens (illegal immigrants). The proposed amended regulations outlines the legal obligations of an employer, under current immigration law, when the employer receives a **no-match** letter from the Social Security Administration or the Department of Homeland Security (DHS). In addition it describes **"safe-harbor"** procedures that the employer can follow to be certain that DHS will not find that the employer had constructive knowledge that the employee referred to in the letter was an alien not authorized to work in the United States. The proposed rule adds two more examples of situations that may lead to a finding that an employer had such constructive knowledge to the current regulation's definition of "knowing." These additional examples involve an employer's failure to take reasonable steps in response to either of two

situations. First, the employer receives written notice from the Social Security Administration(SSA) that the combination of name and social security account number submitted to SSA for an employee does not match agency records, or secondly, the employer receives written notice from the Department of Homeland Security (DHS) that the immigration-status or employment-authorization documentation presented or referenced by the employee in completing the Form I-9 was not assigned to the employee according to DHS records. The proposed rule also notes that whether DHS will actually find that an employer had constructive knowledge that an employee was an unauthorized alien in a situation described in any of the regulation's examples will depend on the totality of relevant circumstances. The proposed procedures also include attempting to resolve the no-match and, if it cannot be resolved within a certain period of time, verifying again the employee's identity and employment authorization through a specified process. The comment deadline is August 14, 2006. For a look at the proposed rules and more information on how and where to comment go to <http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/E6-9303.htm>.

**Concentrated power has always been the enemy of liberty.
Ronald Reagan**

Peak Season Woes

What is Peak Season? We hear about peak season issues starting in mid summer and running through to September on into November. Major retailers are importing goods in preparation for the holiday season and generally speaking imports are 20% greater during this time than during any other time of the year. 2004 was a disastrous year as the increased growth in imports from the Far East caught everyone by surprise. Not only did the port of LA/Long Beach not have adequate capacity as a result of increased imports, but there was a shortage of truckers (drivers and equipment), failing rail infrastructure coupled with increase security and related issues. After 2004 much has been done to improve all areas related to these problems. The Alameda Corridor, the PierPass program, increased rail maintenance and equipment additions, increased trucking equipment and drivers, and in some case diversions of cargoes to all water East Coast services and/or to other West Coast ports have mitigated some of the peak season problems this past year and leading up to 2006's season. Unfortunately this is an ongoing problem with imports from Asia up substantially this year over last. All parties continue to work on methods to improve infrastructure and to streamline their importing processes. Increased capacity in these trade lanes has also helped to limit some of the normal surcharges related to this peak season. Original estimates of overcapacity (and slower growth), have not materialized and unfortunately from the importer's perspective increased peak-season surcharges may increase costs for many shippers. Many small to medium sized importer could pay surcharges from \$100 to \$200 per forty foot equivalent (FEU) container. As we move closer to peak season expectations of increased vessel capacity could possibly limit any peak season surcharges for 2006. Moving further into the future many factors will play into freight costs and/or delays related to your imported products. Expectations are that growth from China, India, Pakistan, Vietnam, and other developing countries will continue to increase traffic in this shipping lane. Instead of "just in time", shippers will need to have "just in case" inventory to make certain that their needs or their customers needs are met. Disaster planning is not only about disasters related to mother nature, but about disruptions in your supply chain related to all of the issues above. Many of these hazards cannot be controlled by anyone. Shippers need to build not only flexibility into their supply chain, but have alternatives to one mode of transport in the event an emergency supply is needed. Putting all of your eggs in one basket (carrier) can also create problems if you are running up against a critical manufacturing, letter of credit, or retail sales deadline. Recent carrier mergers have also had a dual negative impact by not only limiting choice in some instances, but also creating disruptions as a result of issues related to integration and consolidation of systems and personnel – all of us have been adversely affected as a result of several major mergers these past several years. Shippers should have a business strategy that clearly identifies alternatives to existing logistics plans that can be implemented at a critical stage of the process. As your logistics provider we can work with you to help develop contingency plans to ensure yours or your customer's demands are met.

Visit Our New Website – Just a reminder to everyone to visit our new website every chance you get. We continue to update news and other items to help provide our customers with information of interest. <http://www.rogers-brown.com>

Disclaimer Notice:
Rogers & Brown Custom Brokers, Inc. provides this information as a matter of convenience and as such does not necessarily warrant the accuracy of the information contained herein. This information should not be construed as legal or professional advice. Before you act on any information provided in this newsletter, you should seek professional advice regarding your specific situation.

THANK YOU FOR YOUR CONTINUED

SUPPORT!

If you have any suggestions or complaints, please call one of the individuals below at 843/577-3630 or email them as noted.

Don H. Brown, Chairman & CEO

don_brown@rogers-brown.com

Pete Smith, President of Brown Distribution & R&BNAL

pete_smith@rogers-brown.com

Michael B. Fowler, President of Rogers & Brown

mike_fowler@rogers-brown.com

Raymond Kelley, Vice President of Operations

Raymond_kelley@rogers-brown.com

Sandra Horan, Director of Sales & Marketing

Sandra_horan@rogers-brown.com

Joe Fordney, Director of NVOCC and Exports

joe_fordney@rogers-brown.com

If you no longer wish to receive Special Notices from Rogers & Brown, please send an email to Christina_Hughes@rogers-brown.com and type "UNSUBSCRIBE" in the subject line of your email.