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## **Report to the IAM Executive Committee**

**Mike Richardson, Chair  
Carrier Relations Committee**

**San Diego, California  
February 2 & 3, 2010**

The Carrier Relations Committee welcomes our newest member, Steve Stutts of North/South Logistics, a leading LTL broker for the containerized household goods industry. Steve expressed an interest in being on this committee and has already contributed. He replaces Leland Karras of ABF who had to resign from the committee due to time constraints.

There have not been many actions required of the Carrier Relations Committee as of late but there are many news items pertaining to our membership that I would like to update the Executive Committee on:

### **10+2 ISF CBP Enforcement**

This has got to be the single biggest government compliance-related item impacting our membership as we move forward past the January 26, 2010 mandatory enforcement date. Here is some of the latest information received through our committee:

- The CBP ISF Director gave a webinar last week and stated that they do not plan on issuing any liquidated damages (fines) until May/June, giving the first quarter as the period to “get it right.” It will be a more lenient approach than previously expressed by CBP – so called “graduated escalated” with the 3<sup>rd</sup> and 4<sup>th</sup> quarter 2010 seeing 100 percent enforcement due to data/filing problems and timeliness issues.
- The CBP will focus more on identifying importers who have not submitted the ISF and work with them so they can become compliant. The CBP will provide notice to importers of non-compliance in the case of missing ISFs.
- The military TSP community is seeing various methods being used for the ISF filing from a TSP performing their own filing to an overseas agent, US port agent and customs house broker. There will be a period of some confusion as the TSP membership will work to standardize the process.

### **California Clean Air Act**

January 2010 marked the beginning of this ban of diesel trucks built before 2003 into the ports of Los Angeles and Long Beach. Day one saw three old trucks turned away with 400 clean and

newer models rolling in with hardly a whiff of emissions. While this is a remarkable start to the clean air act, there is still some long-term concern. There are reports of a higher instance of out of state drivers now avoiding California ports because of the port regulations to comply or the fines for non-compliance. This affects the ability of out of state drivers to deliver directly to California terminals. The potential here is that it could impact linehaul capacity to/from California and the cost of capacity to/from California.

### **Worldwide Shipping / Port Volumes and other News**

- A US flag carrier reports that so far in 2010 the shipping volumes for military and commercial households is remaining fairly flat in such markets as Alaska, Hawaii, Guam, and Puerto Rico. Spikes in volume are happening in Alaska due to the Ft. Wainwright moves and we may see a busy summer out of Hawaii due to the 25ID redeploying service members back to CONUS locations.
- December 2009 saw a 32 percent increase in imports and a doubling of exports for overall volume at the port of Seattle. Savannah container volume grew during last quarter of 2009.
- Antwerp, Belgium, a major port for N. Europe, saw its overall container volume fall by 15 percent at the end of 2009.
- Carriers are charging NVOs a \$200 premium on some containers leaving Asia as space is tight to guarantee an intended voyage avoiding vessel rollovers.
- Worldwide piracy attacks surged 38 percent in 2009 according to the International Maritime Bureau's Piracy Reporting Center.

### **Inland Transportation Issues**

There are a number of issues that TSPs need to consider when choosing to utilize an LTL or truckload carrier to transport containerized household goods to/from our ports – perhaps some of these helpful hints can be disseminated to the membership via an E-portal or other communication in the future.

- It is important that a TSP or commercial forwarder communicates to the carrier the hours of operation of the pick-up/delivery facility. This can reduce the number of missed pick-ups as well as attempted delivery charges. Along with this, always verify the addresses, phone numbers, and points of contact. These basic steps can eliminate much confusion.
- Crated HHGs are typically stenciled with member name, GBL# if applicable, and ultimate destination. If utilizing an LTL carrier, it is important to have the destination agent's information on the shipment to avoid misconsignments.
- Actual dims of the crates with the cubic foot can enable the LTL provider to provide accurate rates. It is also important to have the documented/certified wts and dims due to

the common carriers re-weighing shipments – this will allow the TSP to protest any adjustments made during transit.

**Moving forward with DP3**

The ocean carriers do not see a major challenge ahead; they are focused on a high level of service and meeting the RDDs that are in their control. The inland transportation providers, such as an LTL carrier, have normal stated transit times that are not guaranteed; all parties in DP3 will need to understand the dynamics of transit time (lane congestion, weather, misroutings, etc.) in order for the RDDs to be met.