



**IAM Carrier Relations Committee  
Mike Richardson, Chairman  
Executive Committee Meeting  
Active Membership Presentation  
October 10 and 13, 2009  
Orlando, FL**

Good morning,

I would first like to recognize the members of the Carrier Relations Committee:

Mike Cunningham – Hapag Lloyd  
John Rowan – Matson  
Ed Berti – Horizon Lines  
Jerry Jameson – APL  
Leland Karras – ABF Freight  
Jean-Paul Noens – International Logistic Service  
Tony Nowotarski – Maersk Lines  
Ken Selvey – Cartwright International  
Mike Connolly – The Pasha Group

Following are a few of the issues and challenges affecting membership during the past year as relates to the ocean, air and inland movement of our freight:

- One of the biggest changes in our industry has been the US Customs and Border Protections (CBP) 10 + 2 importer security filing requirement. Although the ISF 10+2 went into effect in January 2009, compliance will not be mandatory until January 2010. Here is some recent feedback we received regarding the ISF requirement:

- Varying degrees of compliance percentage have been reported, with the CBP declaring that over 30 percent of filings were in compliance, with that number moving upward.
- The exclusive agents for ISA have made significant investments with dedicated programs to electronically file the 10+2 data elements using the automated manifest systems (AMS) to service their customers DoD inbound DoD freight.
- At the recent NDTA forum in Nashville, the CBP was still insisting that the entire Social Security number or passport number be entered for the service member when submitting the ISF data elements. SDDC and US Transcom are heavily involved with this issue and will take it to Capitol Hill in order to protect the identities of their service members.
- It was also confirmed once again at the NDTA that the service fee the TSPs will be paying to submit the data elements will not be reimbursable by SDDC and it was recommended to reflect the charge in the rate. We encourage the membership at the Annual Meeting to attend the special program at 1:30 pm this afternoon on the 10+2 security filing presented by IAM staff and industry representatives to learn more about the new requirements and how to avoid penalties.

-TAAFLO Service Contract Proposal

The IAM and ISA membership were very active in responding to the proposed booking procedure earlier this year which would have allowed the ISA agents to determine vessel booking rather than the individual TSP or TSP-designated port agents. It was an overwhelming decision to leave the current procedure in place and not adopt the TAAFLO proposal. Thanks to the membership for their participation.

-ISA was notified by the TAAFLO lines of an ocean freight decrease effective May 2009 through May 2010 for shipments moving to/from European ports and the East and Gulf Coast ports. There was also a subsequent decrease to the ARC Wallenius rates for Baltimore and Jacksonville for the same period.

-Port issues and changes include the continued enforcement of the TWIC (transportation workers identification card). The most recent port to change from a secured to a restricted status requiring a TWIC is the port of Jacksonville; that goes into effect October 25.

-Guam Crane Surcharge

Newly installed cranes in Guam have driven a \$125 per container surcharge, but HHGDs will be exempted from the charge through the end of the current DP3 filing period.

-Code 4 Pacific Contract

The committee has been made aware of a number of shipments moving to/from the Far East ports that have been incorrectly rated at a higher rate than called for in the ISA/TPAFBO service contract. We encourage all TSPs to carefully audit the code 4 shipments in the Pacific to be sure the correct rating is applied and to remind their port agents they can refer to Pasha International's instructions in making these bookings.

To this point in 2009, I am not aware of any major problems with the steamship lines in the service being provided as it relates to vessel delays, rollovers, etc. I know at this time last year the summer season experienced a shortage of export containers, but it appears most of the lines are down significantly in volume, thus the lack of space problems this year. I encourage the membership to contact me with any problems you may be experiencing with any of the steamship lines and we can raise the issue through the Carrier Relations Committee.

I see the overall mission of the Carrier Relations Committee as a conduit of information between the steamship lines and other transportation vendors and our membership, focusing on the TSP or commercial forwarder. Any added value that this committee can provide to the IAM membership through its relationship with the underlying ocean, air and inland transportation providers will always be the goal. If I am fortunate enough to be re-elected to the IAM Executive Committee, I will continue to work hard on your behalf.

ISA Activities -update on new members

-election results

-update on NVOCC commercial activities

-update on TAAFLO/TPAFBO service contracts

-code 3 vs. code 4 issue

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