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

**Mike Richardson**  
**Chair, Carrier Relations Committee**

**August 11-12, 2011**  
**Hyatt Regency, Denver, Colorado**

Here are a few items impacting the movement of household goods this 2011 peak season that the committee has shared:

### Customs:

ISF 10+2 for the most part has settled in and working well. There is an outstanding issue of the CBP requirement to provide the service members full name and DOB. SDDC is due to respond on how these data elements will be provided. Another issue is when the CBP changes supervisors in a region, the regulations change – an example at the port of Seattle/Tacoma requires that both the master and all house BOLs be submitted, other ports do not have this requirement. An item that is transparent to the TSPs is the inconsistent approaches to customs inspections in Baltimore and Charleston, possibly impacting SIT. By all accounts the EU customs data element requirement is working smoothly.

### Port Issues:

2011 Peak Season has really not put much of a strain on any particular port. The code 3 volumes on the west coast have been more evenly distributed minimizing delays. There were some problems with Maersk in Long Beach due to a change in port terminals causing some minor delays. There has also been some congestion at the ARC terminal in Baltimore and the union pier in Charleston, but much of this was due to the port agents not following procedures.

Steamship Lines Schedules in the Atlantic, Med and Pacific have been running well with few delays and dry docking this year. Freight moving to Naples was impacted by a fire last week at a Rome rail station affecting Maersk containers. APL utilizes a different rail routing is not affected and Med Services has advised CONUS port agents to utilize APL until the delays are resolved.

### Code 3 – USC Contract:

There is currently a lengthy pre-solicitation discussion in progress between USTRANSCOM and the ocean carriers on the USC-07. A top item is the current clause that protects the ocean carrier from non-payment of a TSP, meaning the government will cover the charges. USTRANSCOM has indicated that they intend to remove this clause that protects the ocean carriers from non-payment. The chairman of this committee has reached out to the APL and Maersk reps for their input on this discussion.

## **International Shippers Association Update**

ISA currently has 3 Preferred Vendors for Civilian HHGs, in addition to Pasha and NAS for Military/Govt. HHGs:

1. Mallory International
  2. Direct Container Lines/Vanguard Logistics
  3. S.E.A. Corp.
- (ISAs 4<sup>th</sup> vendor, OWL, terminated its rate agreement with ISA effective May 7, 2011.

ISA's Civilian shipping volume has slowly been building since the Annual Meeting in San Diego with 23 containers shipped in the 4th Quarter of 2010 and approximately 82 containers shipped from January 1, 2011 to date. Both Direct Container Lines and Mallory International have advised that their sales efforts to the ISA membership have been hampered by problems in their regional sales departments. Also, until recently Mallory's ISA rates levels were not that competitive but have recently improved greatly.

Mallory's ISA rates are on line, password ready and are \$25 per container lower than his tariff rates plus Mallory pays ISA an additional \$25 per container commission.

DCL/Vanguard's container rates while very competitive are not on line accessible and ISA members must book through their Glen Ellyn, IL office unless members individually make arrangements with the Director of Sales, John Will.

S.E.A.'s rates are currently competitive to Africa and parts of South America but they are working on renegotiating their Europe and Asia rates; S.E.A.'s commission to ISA is in the \$15 per Sea Container range.

All 3 of these Preferred Vendors also can provide ISA members with LCL rates of which DCL's are probably the most competitive and they pay ISA a \$2 per cubic meter commission. Mallory's LCL commission to ISA is \$3 per Cubic Meter and S.E.A.'s is a flat \$10 per LCL shipment.

Our ISA consultant has heard a rumor that the FMC is looking into continuing its investigations into the International HHGs Industry.