THE PORTAL

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International Trade Agreements: How Will They Affect You?

Also Inside: Countdown to Hawaii

THE PORTAL

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THE PORTAL

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By Terry R. Head
HHGFAA President

Trading Rocks for Rockets

International trade and trading agreements have been around since early man first walked the Earth, so I guess "trading" in the broader sense actually goes back to when a caveman swapped a sharp rock for a wooden club.

I can remember, when I was in school, learning about the Silk Road and reading other historical references to when tribes and explorers began traveling from one geographic area to another and the things that they would take or seek to trade for in order to bring back goods that would improve their quality of life. Much of this type of trading was secured by a handshake or verbal agreement.

The act of trading and the modern trade agreements that make international transactions possible have contributed greatly to the economic, social, and political welfare of most, if not all, countries actively engaged in world trade.

The principles of global trade vary in some ways from those governing domestic trade, depending on a given nation's motivations and needs; however, international trade is fundamentally different. What primarily sets them apart is that international trade is a more expensive undertaking because of the logistics involved. Also, when crossing borders (geographic or economic), other issues come into play such as tariffs, import duties, and taxes. Customs clearance procedures and delays, as well as language, varying legal systems, and cultural differences also command a larger role.

Economically speaking, government should play little if any role in conducting international trade. If governments abstained from adopting or enforcing trade polices, the world would be operating in an environment of "free trade." There has been some movement in that direction, but governments continue to make certain demands and enforce restrictions aimed at protecting their economic interests and national security. Sometimes these take the form of export subsidies and trade quotas, export controls, or licensing. Even if you wanted to trade a shipload of rocks for rockets, and you were getting a really good deal, it's not likely you'd get clearance from the government to do so.

The term "international trade" typically evokes impressions concerning the exchange of goods and services and, to a lesser extent, the trading of capital, labor, or other aspects of manufacturing and production, such as raw material. Numerous trading agreements today now also focus on the environmental impact of production and trade, and many include requirements for countries to trade and/or offset environment emissions generated in the production and movement of trade goods.

Without a doubt, international trade has figured significantly in the industrialization of many countries. It has advanced globalization, and has led to the growth of multinational corporations and the continuing outsourcing of production- and service-oriented jobs.

I think it's pretty safe to assume that the expansion of trade and trade agreements does have a positive impact on the international moving, relocation and forwarding industries. Any entity engaged in trade means that lawyers, accountants, trade and commodity brokers, and other specialists will be needed where the action is taking place. So, even if we're not moving the actual commodities, our industry and the members of HHGFAA play a key role in moving all the people involved in making trade happen.

The Basics of Free Trade

The modern system of free trade, free enterprise and market-based economies actually emerged around 200 years ago, as one of the main engines of development for the Industrial Revolution.

In 1776, British economist Adam Smith published his book, *The Wealth of Nations*. Smith, whom some regard as the father of modern free market capitalism and this very influential book, suggested that for maximum efficiency, all forms of government interventions in economic issues should be removed and that there should be no restrictions or tariffs on manufacturing and commerce within a nation for it to develop.

For this to work, social traditions had to be transformed. Free markets were not naturally occurring processes. They had to be forced upon people. John Gray, professor of European thought at the London School of Economics, a prominent conservative political thinker and an influence on Margaret Thatcher and the New Right in Britain in the 1980s, noted in his 1998 book (*False Dawn: The Delusions of Global Capitalism*), "Mid-19th century England was the subject of a far-reaching experiment in social engineering. Its objective was to free economic life from social and political control and it did so by constructing a new institution, the free market, and by breaking up the more socially rooted markets that had existed in England for centuries. The free market created a new type of economy in which prices of all goods, including labour, changed without regard to their effects on society. In the past economic life ... was conducted in social markets ... that were ... subject to many kinds of regulation and restraint. The goal of the experiment ... was to demolish these social markets, and replace them [with] deregulated markets that operated independently of social needs. The rupture in England's economic life produced by the creation of the free market has been called the Great Transformation."

Michael Perelman, professor of Economics at California State University, in his book *The Invention of Capitalism* (Duke University Press, 2000), reported that peasants did not willingly abandon their self-sufficient lifestyle to go work in factories. Indeed, they had to be forced with the active support of thinkers and economists of the time who argued for government policies that deprived the peasants their way of life of self-provision, to coerce them into waged labor.

CBP Seeks Online Tips of Trade Violations Via 'E-allegations'

Concerned members of the public can now report violations of trade law to US Customs and Border Protection through a new online system.

The agency said it has placed the e-Allegations link, www.cbp.gov/trade, on its Web site to make it easier for people to report possible trade violations, such as misclassification of merchandise, false country of origin markings, health and safety fraud, intellectual property rights, and textile quota evasion.

To report a possible infraction, an individual must submit the following information:

- Type of trade violation.
- Description of what has occurred.
- Products or goods involved and the alleged violator's name and/or company.

Other information may be included on a voluntary basis.

The online reporting system is not intended to deal with homeland security issues, CBP said.

SOURCE: American Shipper

The WTO and Free Trade

By Anup Shah

The World Trade Organization (WTO) is the primary international body to help promote free trade, by drawing up the rules of international trade. However, it has been mired in controversy and seen to be hijacked by rich country interests, thus worsening the lot of the poor, and inviting protest and intense criticism.

WTO principles

Founded in 1995 after the 8-year "Uruguay Round" of talks, it succeeded the General Agreement on Tariffs and Trade (GATT), which was created in 1948 to lower trade barriers. The scope of the WTO is greater, however, including services, agriculture, and intellectual property, not just trade in goods.

The main principles of the WTO boil down to the following:

- **Nondiscrimination**. National treatment implies both foreign and national companies are treated the same, and it is unfair to favor domestic companies over foreign ones. Some countries have a most favored nation treatment, but under WTO the policy is that all nations should be treated equally in terms of trade. Any trade concessions etc offered to a nation must be offered to others.
- **Reciprocity**. Nations try to provide similar concessions for each other.
- **Transparency.** Negotiations and process must be fair and open with rules equal for all.
- **Special and differential treatment.** A recognition that developing countries may require "positive discrimination" because of historic unequal trade.

Trade-Related Aspects of Intellectual Property Rights (TRIPS)

One area that is a cause for tension is the TRIPS agreement, which defines how products can be protected from piracy. While just reward for one's efforts is reasonable, politics and power influences have affected how patent processes work and what can or cannot get patented. A major criticism then has been that in its current form, intellectual property rights regimes like TRIPS serve to stifle competition and protect one's investments and profits from it in that way. For poor nations it makes developing their own industries independently more costly, if at all possible.

Furthermore, indigenous knowledge that has been around for hundreds, if not thousands of years in some developing countries have been patented by large companies, without consent or prior knowledge from indigenous communities. People then find that they have to "buy back" what they had already known and used freely.

Among the criticisms of TRIPS are the following:

- TRIPS aims to prevent imitation of products, although that would allow further competition and better prices for drugs and other products, which is something that transnational corporations have often cited as benefits of free trade and corporate-led capitalism with minimal restrictions.
- The effect of the 20-year period of a patent protection is to basically deny others (such as developing countries and their corporations) from developing cheaper alternatives.
- Technology transfer is prevented.
- Multinational corporations will be able to continue to grow more due to their profits from this, while others will decline further.
- While there are some provisions, such as compulsory licensing to allow creation of alternatives in cases of emergency and parallel importing to effectively permit shopping around the international market for the cheapest price of the same product, it doesn't go far enough.
- TRIPS, WTO and general international trade related agreements do not take public health needs into account. Instead, commercial interests are promoted.

The Multilateral Agreement on Investment

The Multilateral Agreement on Investment (MAI) was one such example of a trade and investment related treaty that would emphasize the ability for corporations to be allowed more freedom and fewer constraints. Enormous global activism by ordinary citizens resulted in its derailment for now.

Nevertheless, this is not a halt to the MAI and trade negotiations still continue and will continue that very much represent the ideas and objectives of the MAI.

While the initial agreement was in the domain of the OECD (Organization for Economic Co-operation and Development), many are pushing for it to be moved to the WTO.

The General Agreement on Trade in Services (GATS)

GATS is similar to the multilateral agreement on investment, except that it is within the WTO. It is less well known than the MAI and is still undergoing negotiations, unlike its forerunner, which was derailed.

The Seattle Millennium Round of the WTO

In November 1999, major governments meet at a WTO ministerial meeting in Seattle to discuss various trading rules. Enormous public protests ensued. There were many differences in the perspectives of developing industrialized nation on the current reality of free trade and how it affected them. It resulted in a WTO failure to agree on many issues.

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For more information and an in-depth discussion of WTO and the issues it faces, access

www.globalissues.org/TradeRelated/FreeTrade/WTO.asp

When US Companies Lose Their Edge

By John Engler

When outdated government regulations mean US companies lose out to a Liechtenstein firm in the global competition to supply high-tech manufacturing equipment, you know something has gone wrong.

No disrespect to the good people of the Alpine principality, but US manufacturers should have the clout and competitive edge to win these supply contracts. Yet our unwieldy, outdated export-control system prevented such competition.

Japanese companies stopped designing products manufactured with US plasma-cleaning equipment because of the delays and uncertainties posed by our export-control system. Liechtenstein proved to be a more dependable supplier.

The Liechenstein case is just one example of a growing trend. More and more manufacturers have reported that foreign buyers are replacing US-made goods with similar equipment produced in other countries. Clearly, the time has come to modernize the government's export-control regulations.

The Bush administration agrees. On Jan. 22, the president signed two national security directives designed to modernize the US export-control system. Once enacted, they will improve national security and enhance economic competitiveness.

The directives largely followed recommendations made by the National Association of Manufacturers (NAM), the Aerospace Industries Associations and our other partners in the Coalition for Security and Competitiveness.

Note the order in the coalition's title, "security" comes first. US manufacturers agree that America's system of export controls must make national security its priority.

But we believe that national security and economic competitiveness go hand in hand. We believe that a nation's strength depends on a vital economy, one that fosters a high-tech, efficient, and successful manufacturing sector.

The current system, a relic of the Cold War era, has not kept pace with important changes in global security and the marketplace, particularly the high-tech sector. To modernize the system while ensuring our national security, the NAM and other trade associations developed a set of 19 proposals. Our approach was to make the system more predictable, efficient and transparent while still safeguarding sensitive US technologies.

Achieving these goals is especially important for high-tech companies, critical contributors to national security but weighed down by unnecessary costs imposed by the current export-control regime.

The high-tech sector's robust research and development lead to cutting-edge commercial and defense components. But US companies have been spending billions of dollars complying with obsolete export-control regulations, and still face difficulties meeting bidding or project deadlines. Delays in processing export licenses prevent companies from being first to market, threatening them with eventually losing their status as global leaders.

For one high-tech company in Silicon Valley, implementation of NAM's recommendations would alleviate 90% of the company's licensing burden, providing big boost to its international competitiveness.

Maintaining a vibrant and dynamic high-tech sector is critical for the security and competitiveness of the United States. High-tech products accounted for 37% of total US exports in 2006 and represented the fastest-growing category of exports. High-tech manufacturers employ more than 400,000 workers.

Our recommendations outlined necessary organizational changes, process improvements, new licensing mechanisms, and more consistent policy development and regulatory interpretation. The coalition transmitted these proposals to the White House in March 2007, and we were pleased to find most of them accepted in the presidential directives. Once implemented, the directives will make the system more predictable, transparent and efficient. They will enhance national security by allowing the government to focus limited resources on truly high-risk transactions and by facilitating continued research and development by high-tech companies and defense contractors.

The details quickly become technical, but good examples include modernizing the intra-company transfer license exception at the Commerce Department and programmatic licenses at the State Department. Such changes will reduce the number of low-risk applications moving through the system, while allowing companies to cooperate with our allies abroad, facilitate military operations and develop new, advanced technologies.

Furthermore, these changes will help us get back in the game with Liechtenstein.

John Engler is president of the National Association of Manufacturers. The NAM export-control materials are available at www.nam.org/exportcontrols.

Manufacturers Cite Barriers to Competition

By Thomas L. Gallagher, Web Editor, Traffic World

North American manufacturers see their position as fairly competitive with rivals in other countries, but barriers exist that government could help them overcome, according to a recent survey.

More than 40% of US manufacturers said that they are currently more competitive than their primary global rivals, and 57% see themselves as becoming more competitive over the next five years, said the survey, "Made in North America," which was conducted by Deloitte Touche Tohmatsu with the cooperation of the National Association of Manufacturers, The Manufacturing Institute, and Canadian Manufacturers & Exporters.

Interviewers asked 321 senior executives of leading North American manufacturing enterprises across product sectors to obtain their perspectives on their current and expected future competitiveness.

NAFTA has had a positive impact on nearly half of the companies surveyed, but another 41% have seen no benefits, and 10% say they have been harmed by the international free trade agreement.

The United States is by far the most favored location for expanding production, sourcing, sales and service, and research and development. Many companies had plans to expand in multiple countries. Approximately 44% of those surveyed chose the United States for some expansion, followed by 37% each for Mexico and China.

NAFTA has had a positive impact on nearly half of the companies surveyed, but another 41% have seen no benefits, and 10% say they have been harmed by the international free trade agreement.

The chief barrier to competitiveness for 71% of those surveyed was labor cost. Transportation cost was not cited at all in the survey as a barrier to competitiveness.

The executives say they want the government to address concerns in roughly the order in which they block competitiveness. Labor cost comes first, followed by tax policy, availability of skilled labor, and government bureaucracy.

The vast majority, 79%, of the executives surveyed said they believe tax cuts are the chief factor that would promote innovation. However, only 36% of them said they believe current government tax cuts are having the desired effect.

"The survey clearly shows concerns that manufacturing companies want government to address," said Emily DeRocco, NAM senior vice president and president of the Manufacturing Institute (the research, education and workforce affiliate of the NAM). "Manufacturers cited controlling labor costs, enacting favorable tax policies and assisting with the severe shortage of skilled manufacturing workers, including engineers, scientists and technicians, as the top three areas that policymakers should address to help improve their global competitiveness."

SOURCE: Traffic World

Trade Gap Shrinks

The national goods and services deficit fell $0.7 billion to $59.8 billion from April to May, according to the US Census Bureau and the US Bureau of Economic Analysis, through the Department of Commerce.

- Exports increased by $1.4 billion to $157.5 billion, and imports grew by $0.7 billion to $217.3 billion.
- The increase in exports of advanced technology products accounted for the whole increase in exports with other goods and services offsetting each other. ATP exports jumped $0.7 billion to $24.1 billion in May.
- Advanced technology products imports declined in May by $1.1 billion to $27.6 billion, balancing advances for other imports, especially consumer goods, which increased $1.5 billion.

Shipping Costs Send Manufacturing Back to the US

Amid continuing rising transportation costs, retailers say they are witnessing a gradual shift of manufacturing back to the United States.

Ikea's Melissa Ruiz recently told the Greening the Supply Chain conference sponsored by the International Warehouse Logistics Association that the manufacturing of some bulky products such as furniture is beginning to migrate back to the United States

Locating the manufacturing facility closer to the retail market is good for the environment because it reduces diesel emissions in the supply chain.

Locating production closer to the consumer makes good business sense as well because it cuts down on transportation costs. "In the long term, I don't see transportation costs going down so there will be more manufacturing in the United States," she said.

SOURCE: Journal of Commerce

This Bud's for You, Ho Chi Minh City

Thirsty residents of Ho Chi Minh City and other cities in Vietnam can now order a Budweiser at upscale bars and restaurants. Bud will also be available at supermarkets and retail outlets across the nation. Anheuser-Busch began exporting Bud to Vietnam last month, but fans of Bud Light are out of luck: Bud is the only brand it's selling there.

A Primer on Neoliberalism

By Anup Shah

Neoliberalism, in theory, is essentially about making trade between nations easier. It is about freer movement of goods, resources and enterprises in a bid to always find cheaper resources, to maximize profits and efficiency.

To help accomplish this, neoliberalism requires the removal of various controls deemed as barriers to free trade, such as:

- Tariffs
- Regulations
- Certain standards, laws, legislation and regulatory measures
- Restrictions on capital flows and investment.

The goal is to allow the free market to naturally balance itself via the pressures of market demands, a key to successful market-based economies.

The article “What Is Neoliberalism?” by Elizabeth Martinez and Arnoldo Garcia in Corporate Watch (**www.corpwatch.org/article.php?id=376**), offers a brief definition. The main points include:

- **The rule of the market** — freedom (from the state, or government) for capital, goods and services, where the market is self-regulating, allowing the “trickle down” notion of wealth distribution. It also includes the deunionizing of labor forces and removals of any impediments to capital mobility, such as regulations.
- **Reducing public expenditure for social services**, such as health and education, by the government.
- **Deregulation**, to allow market forces to act as a self-regulating mechanism.
- **Privatization of myriad types of public enterprise** (things from water to even the Internet).
- **Changing perceptions of public and community good** to individualism and individual responsibility.

Richard Robbins, in his book, *Global Problems and the Culture of Capitalism* (Allyn and Bacon, 1999), summarizes some of the guiding principles underlying this ideology of neoliberalism:

- Sustained economic growth is the way to human progress.
- Free markets without government “interference” would be the most efficient and socially optimal allocation of resources.
- Economic globalization would be beneficial to everyone.
- Privatization removes inefficiencies of public sector.
- Governments should mainly function to provide the infrastructure to advance the rule of law with respect to property rights and contracts.

At the international level, this additionally translates to:

- Freedom of trade in goods and services
- Freer circulation of capital
- Freer ability to invest.

The underlying assumption, then, is that the free markets are a good thing. They may well be, but unfortunately, reality seems different from theory. For many economists who believe in it strongly the ideology almost takes on the form of a theology. However, less discussed is the issue of power and how that can seriously affect, influence and manipulate trade for certain interests. One would then need to ask whether free trade is really possible.

From a power perspective, “free” trade in reality is seen by many around the world as a continuation of those old policies of plunder, whether it is intended to be or not. However, we do not usually hear such discussions in the mainstream media, even though thousands have protested around the world for decades.

Today then, neoliberal policies are seeing positives and negatives. Under free enterprise, there have been many innovative products. Growth and development for some have been immense. Unfortunately, for most people in the world there has been an increase in poverty, and the innovation and growth has not been designed to meet immediate needs for many of the world’s people. Global inequities on various indicators are sharp. For example,

- Some 3 billion people — or half of humanity — live on under $2 a day.
- 86% of the world’s resources are consumed by the world’s wealthiest 20%.

Joseph Stiglitz, former World Bank Chief Economist (1997 to 2000), Nobel Laureate in Economics and now strong opponent of the ideology pushed by the IMF and of the current forms of globalization, argues that economic globalization in its current form risks exacerbating poverty and increasing violence if not checked, because it is impossible to separate economic issues from social and political issues.

And as author J.W. Smith has argued in *The World’s Wasted Wealth 2* (1994), “One cannot separate economics, political science, and history. Politics is the control of the economy. History, when accurately and fully recorded, is that story. In most textbooks and classrooms, not only are these three fields of study separated, but they are further compartmentalized into separate subfields, obscuring the close interconnections between them.”

SOURCE: www.globalissues.org/TradeRelated/FreeTrade.asp

Defining Economic Power

European Union Trade Commissioner Peter Mandelson said global policymakers will have to rethink some central assumptions about how power works in the global economy, and how American and European governments can best defend their people and their interests.

“The Atlantic world is no longer the center of the economic world because the economic world no longer has a center,” Mandelson said.

His remarks came against a backdrop of soaring global food costs and deep divisions among wealthy and poor nations trying to hammer out a free trade agreement in the current round of World Trade Organization negotiations. Mandelson said the next phase of globalization will be dominated by questions of global resource pressure for water, energy, and food. He said that while economic internationalism remains the only way to address these problems effectively, it is being undermined at home by a “crisis of confidence” and a slide toward protectionism in the United States and Europe.

“In the ’50s, Western politicians asked themselves, ‘Who lost China?’” he said. “I think what should worry us today is the idea that a decade from now we might be looking back and asking, ‘Who lost globalization?’”

SOURCE: Journal of Commerce

Report: Soaring Shipping Costs Could 'Reverse Globalization'

Rising international shipping costs driven by high oil prices could effectively wipe out decades' worth of trade liberalization, according to new research from CIBC World Markets, a Canadian investment bank. By making it substantially more expensive to ship cargo over long distances, higher freight costs are likely to change global trade and production patterns and make it easier for domestic manufacturers to withstand competition from lower-wage countries.

"In a world of triple-digit oil prices, soaring transport costs, not tariff barriers, pose the greatest challenge to trade," argue the study's authors, Jeff Rubin and Benjamin Tal.

At US$100 per barrel, transport costs outweigh the impact of tariffs for all of America's trading partners. Current transport costs (with oil above US$130 per barrel) are equivalent to an average tariff rate of over 9%. At US$150 per barrel, the "tariff-equivalent" rate in the US would be 11% — comparable to import duties in the 1970s.

Massive reductions in cargo transportation time and costs have driven the expansion of global trade. The first rapidly loadable container ship, in 1956, cut port times and charges dramatically, slashing the cost of freight by over 97%. Transport-related cost savings between 1950 and 1998 have been estimated to be equivalent to cutting average US manufacturing duties from 32% to 9%.

However, changing fuel costs factor heavily into shipping rates and the significance of ship speed; rising ship speed over the past 15 years has doubled fuel consumption per unit of freight.

"At today's oil prices," say the authors, "every 10 percent increase in trip distance translated into a 4.5 percent increase in transport costs." **While shipping a standard 40-foot container from Shanghai to the east coast of the US cost US$3,000 when oil was at US$20 per barrel, it now costs US$8,000. If oil goes up to US$200, the cost would rise to US$15,000.**

Products for which freight costs make up only a small proportion of final sale prices stand to be less affected if shipping becomes more expensive. But where freight-to-value ratios are high, transportation expenses can be significant.

The decrease in export growth to the US has been most pronounced for goods that carry relatively high freight costs. Instead of finding cheap labor halfway around the world, manufacturers may need to find the cheapest labor force closer to their local market. Moreover, some low-cost manufacturing to supply the North American market is likely to move from China to Mexico.

Cargo shipping is also a major source of greenhouse gas emissions. There is very little international regulation of maritime pollution, whether in terms of carbon dioxide emissions and fuel efficiency, or fuel quality.

The CIBC World Markets analysis is available at **http://research.cibcwm.com/economic_public/download/feature1.pdf**.

The WTO trade statistics for 2008 are available at **www.wto.org/english/news_e/pres08_e/pr520_e.htm**.

EU-Caribbean Pact May Hurt Trade with US

US trade with the Caribbean Community block could lose much of its luster now that Caricom has negotiated a full economic partnership agreement with the European Union. Such an agreement would mean sacrificing any possibility that Caricom countries would continue to receive trade benefits under the US Caribbean Basin Initiative (CBI) program, according to Stephen Lande, a former official with the US Trade Representative who now heads Manchester Trade, a trade consulting firm. Lande said the pending agreement with the EU would make it possible for the US to continue to give unilateral preferences to Caricom members under the CBI.

"There is no way that US exporters will allow unilateral preferences to continue for the CBI in the US market while its exporters pay higher duties, receive less access for its services providers, and face non-tariff barriers in Caricom markets," he warned.

SOURCE: Journal of Commerce

Life Beyond Your Front Door

By Jackie Agner

As members of the Household Goods Forwarders Association of America we are so fortunate that our Association had the foresight to strategically form the regions covered by the Associate Members Management Board. This act not only allows our board members the opportunity to assist our members in distant countries one on one, but it helps all of us to understand the challenges they face in countries that we ship to and from on a daily basis.

Recently I reached out to all the AMMB board members and asked them to share with us the challenges they are currently facing at their front door. Here are a few of their comments:

Region 1: Africa

Mathieu Dunod, AGS Frasers, Cape Town, South Africa
Eric Beuthin, Worldwide Movers Uganda Limited, Kampala, Uganda

The major problem we encounter on the African continent, aside from raising costs that are not specific to our region, is port congestion. While volume of container traffic worldwide increases, the port handling capacity on the continent is not increasing, or it is doing so at a much slower pace at best. This generates an important disturbance in the steamship line's schedule, as vessels sometimes must wait up to 2 weeks before having a berth allocated for them to dock.

This increases costs for the steamship lines, and some do not wait to have a berth available; they just skip the port and offload containers in the next port, hoping that the next rotation can take them to their correct destination. This of course has a huge impact on global transit time of our containers, and also on our costs (again). Of course the steamship lines push these additional expenses back to their customers.

Surcharges are plenty, not always announced, and high. In some other ports, poor management is also increasing congestion. For example, ever since Dubai Port Authority took over management of Dakar port in Senegal, it has been chaotic, and we are experiencing huge delays in exports and imports.

Port congestion and emergency container terminal surcharges of approx 300 Euros per TEU have been levied. All this, added to long customs clearance processes (up to 6 weeks in some African locations), is really affecting our global client satisfaction.

There is not much anyone in our industry can do about it from the US or elsewhere, but at least clients must be informed and cautioned that initial transit time given is only speculative. This will help in setting their expectations to a realistic level and avoid situations where a client waits for his container on his doorstep, on the exact ETA date that was given to him 2 months ago at the time of packing at origin. I will let you imagine his disappointment, to say the least.

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The rising fuel costs in the United States are affecting us in the sense that prices have increased and competition has become tighter on our end. We have had a harder time squeezing out a profit. Economic decline in the US means less business for us from the States. The same can be said about Europe.

Everyone in East Africa is suffering from the increased fuel prices. The price of fuel has increased by about 30% since January 2008, as have the cost of basic foods, supplies and transport. We are currently being charged a fuel surcharge of $1.25 per kg airfreight. Inflation is in the double figures.

The whole country suffers from regular electrical power shortages. Our backup generators run on diesel, which is in short supply and expensive.

But then, East Africa is not your normal destination.

Regarding the HHGFAA Annual Meeting, two years ago a business class ticket from here would have cost $3,500. Today that same ticket will cost $7500. If I bring a colleague, that means I will spend $15,000 just to get there. It makes you think.

Region 2: Central, South America, and the Caribbean

Cliff Williamson, Transpack Argentina, S.A., Buenos Aires, Argentina
Rafael Moreno, Moreno International S.A. de C.V., Monterrey, Mexico

Briefly, concerns in the Latin American and Caribbean Region include the following:

- Shortage of containers. We are feeling the effects here, in some cases directly in obtaining containers from local port agents for our own export services, and sometimes collaterally, when agents in the US book shipments to us but are delayed in sending them due to shortages there.
- The new payment protection scheme may protect us from agents that go under, but what about agents who simply do not pay? As a regional representative, I feel that it is my responsibility to respond to agents in my area when they request my help. One area in which they do this is to assist them with problems of collection.

Certainly, many member agents use their membership in HHGFAA as a sign of credibility and financial reliability. If we allow agents to abuse their membership with the association, it reflects poorly on all members.

I would like to see this procedure tightened up so that the weight of the Association can be brought to bear, and its reputation can be protected from unreliable agents.

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At my end everything is still as usual — there are the same problems and opportunities, lots of work this summer season, fuel costs being subsidized by the Mexican Government. The US economic slowdown was a factor by the beginning of the year but no more. The Mexican Government, as always, is applying more taxes.

Region 3: Eastern and Southeastern Asia

Yogesh Thakker, 21st Century Relocations, Fort Mumbai, India
Chad Forrest, Santa Fe Relocation Services, Beijing, China

We in India are facing problems that are similar to what others around the world are facing. To list a few:

1. Rising freight (Bunker Adjustment Factor, surcharges, GRI, etc.).
2. Lack of space on vessels.
3. Congestion in Nhava Shewa port.
4. Shippers are deciding not to ship if given the entire picture (many companies do not inform all costs and present a lower figure to book the move and then shipper gets surprised at destination — haven't we all seen that before?). However, we prefer to provide all costs upfront, which leads to reduced volumes and fewer cancellations
5. I have seen many NVOCCs, forwarders, and steamship lines in India refusing to handle outbound personal effects cargo, which is a disturbing trend. Maybe a dialogue with the carriers would be a good beginning to see what concerns they have regarding this.
6. Unabated rise in destination THC, documentation, stripping fees payable to NVOCCs and forwarders (they offer low LCL freight rates and make up their margins at destinations in handling costs).

The only silver lining is that since India is booming in all aspects, more Indians are coming back to explore opportunities here, and our inbounds are growing.

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In East and South East Asia, the primary concern for many of us has been the devaluation of the US currency against local currencies. Many contracts, both locally signed and with overseas partners are in US dollars. The USD, for example, has devalued against the Chinese Yuan by almost 17% in the last 12 months. These currency losses and increasing costs in the form of raising full charges, local inflation, and increasing labor costs are having an adverse effect on operating margins. Companies are working to convert current contracts away from being USD based to being based in local currencies or in euros.

There are also inflation concerns in Asia, particularly for Vietnam, where inflation is expected to be 20% by the end of 2008.

With regard to the upcoming Olympics there have been rises in costs associated with ever-increasing HHG customs clearance requirements. There may be five Olympic rings but there are more than a dozen that need to be jumped through in order to get a HHG shipment into China now. I won't talk about jumping hurdles, but you might see our customs broker wearing a Santa Fe uniform at the starting line of the finals for the 500-meter hurdles competition this August. Look out for him - he's 5'1" tall and weighs 180 pounds and is surnamed Wang. He might be short and stout, but boy, can he jump. We are betting he'll place at least third with all the training he's been getting lately. Please let the games begin so life can get back to normal — or as normal as it can be in these challenging times.

Region 4: Europe

Marc Smet, Gosselin Group N.V., Antwerp, Belgium
Robin Hood, Arrowpak International, Suffolk, England

One thing significantly affecting our costs is the use of packing material specified by military regulations when we have Full Replacement Value insurance. We are not being paid enough for the use of those materials.

Fuel cost in the UK is at $12 a gallon today, and I'm not sure what it will be next week. Thus bidding six months in advance and then performing work that in some instances can be 14 months down the law with no escalator clause is a worry.

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As far as I'm concerned representing the European Region, there are two major issues at stake, on which we have been working directly with Chuck White and the Executive Committee — namely the fuel prices and the fact that the Europeans do not get any fuel surcharge adjustments to their overseas military rates, which seems totally unfair if you know that the US side still is getting this adjustment and so are the ocean carriers that have been constantly raising fuel levels over the last two or three cycles. I can remember Fuel Adjustment Factor levels at 800 US dollar per 40'; but today we're at US$1200, which is US$400 per 40' or almost US$4 per net cwt.

We have hardly been able to get any increase in our rates. This, combined with the currency drop of the US dollar over the last four or five years, makes the problem even worse. If SDDC does not do anything to assist in this area, I believe we may have serious difficulties ahead.

Region 5: Middle East and Near Asia

Ajay Bhalla, Leader Freight Forwarders, Dubai, United Arab Emirates
Eran Drenger, Ocean Company Limited, Yakum Post, Israel

Middle Eastern economies are booming like never before. Infrastructure is being built at a frightening pace. The place is full of tower and boom cranes everywhere. Housing is being developed in every part of the city and we daily question ourselves: where are people going to come from to stay in those? But for the last 4 years real estate pricing has tripled. There is extreme shortage of managerial, skilled, and unskilled manpower.

Increase in real estate pricing, diesel fuel up a whooping 200% in 2 years and appreciation of major currencies against the US dollar has sent the inflation spiraling up. Since Middle-East currencies are directly linked to the US dollar they have to follow the interest rates of US and therefore do not have an independent mechanism to contain inflation. Labor costs, material costs, real estate, port charges, trucking, and other line items — really, anything to do with running a moving business — are up. These days if we don't hear about a hike of some charge or other from the UAE ports in a month we feel left out.

The volume of business has increased for all types of industries in the Middle East simply because the economies are on a fast track; and believe me, if you visited the Middle East 2 or 3 years ago you would not recognize it. There are a lot more people moving in and there is a population boom. Looking at the projects still to be completed, the Middle East is 30% built so there would be this tremendous pace for the next 5 or 6 years. I suppose these are challenging times for all of us here where there is business but the cost of doing business is rising virtually every day.

Region 6: North America

Glenn Stephenson, Prudential Relocation Inc., Fountain Hills, Arizona
Edward Wickman, Wickman Worldwide Services, Inc., Evansville, Indiana

This is a most unusual season. It requires almost twice the effort of the past to get the job done and costs are excessive. We are confronted with:

- Roughly 50-60 fuel surcharges per month from vendors, ocean, air, trucking, and agents. A quote is a gamble.
- Containers. The devalued dollar has created a huge imbalance of container trade with a shortage of containers for export. Bookings are pushed off as much as a month or more, creating problems for families needing to vacate. It has a domino effect on all phases of the move.
- Vehicle exports with household goods have schedules that conflict with the ocean carriers and US Customs, who must authorize the exports. The time windows for each ultimately end up missing a sailing and subjects the shipment to container demurrage and vessel "roll" fees.
- Imports continue as in the past with inspections and damage. It seems everyone is numb to the consequences and has just accepted it.
- The TSA is going to implement further restrictions for air shipment of effects in the new year.

So, each day is now a struggle to try to comply with a heavy-handed government, and deal with carriers that see an opportunity to take advantage of the fuel situation and clients that still want heavy discounts and don't want to hear about any of the above.

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The housing crisis is hurting relocations; thus our business is starting later in the year.

Fuel costs are having an impact on total cost and causing service concerns. People are not moving if they have to pay for the move themselves. Fuel costs also are affecting our ability to offer any competitive rate and hold to it for too long. We have had suppliers raise their service rates both in the USA and overseas. Fuel costs are creating service issues in overseas countries, where mini-strikes are popping up.

Homeland Security regulations continue to hamper move exportation of household goods, autos, etc. Homeland Security regulations are also making it more difficult to import HHGs. Unexpected full customs examinations wind up costing consumers money out of pocket.

All of the above will possibly have a long-term impact on companies that are relocating employees.

Container shortages continue to affect overseas moves. We book the containers as far in advance as possible ... then pray!

Insufficient vessel space is causing service delays because of the low value of the US dollar.

Region 7: Oceania

Marilyn Sargent, Aloha International Moving Services, Inc., Kapolei, Hawaii
George Cooper, Australian Van Lines NSW PTY LTD., Sydney, Australia

Some issues for Region 7 are these:

- Fuel costs in the US are affecting Australia as our prices are skyrocketing, and we are paying about US$6.50 per gallon. The BAF keeps rising!
- Economic decline in the US has two benefits for Australia: First, the Australian dollar is very strong (US companies now cry exchange rate, exchange rate, whereas before they reaped the benefits). Second, imports are steady and we believe they will increase this year.
- The US economy has had a negative effect on the booking of exports. Currently we have several corporate moves coming out of the US but due to the season with high exports we are only able to obtain container slots on vessel up to four weeks after pickup.
- Security. US Customs/Homeland Security seems to be on the rampage to inspect as many containers as possible, adding huge costs to our clients and accounts.
- Most shipping lines now will not even accept containers being returned without all the requirements being met for shipping to the US. This becomes problematic when people move to the US for the first time, as we require a telephone number and address for US Customs purposes and often that information is not available until the clients arrive; thus we try to get away with the work address, but aren't always successful.

❖

The major looming question for us right here and now regards the West Coast Longshoreman's contract that expired on Monday, June 30. Remember what happened six years ago when the Pacific Maritime Shippers Association locked out the Longshoremen and ships were backed up for miles waiting to be offloaded? It took months to rectify the situation. We are concerned about a repeat of that scenario.

We have ominous concerns about the US military's Families First Program and the impact it could have on agents as we migrate from a monthly SIT rate to a non-compensatory daily SIT rate.

As are many others, we are faced with much higher fuel prices, wage pressures, a downturn in the economy, and a shortage of rice.

With all these concerns it is amazing that no matter where you are located our difficulties are similar. However, we can all take pride in, and be grateful for, the endless list of benefits and support we receive from fellow members, the Executive Committee, and the staff of the Household Goods Forwarders Association of America.

Jackie Agner, HHGFAA's Associate Members Representative, is director, household goods at Puget Sound International, Inc. in Tacoma, Wash.

GAO Faults Port Security Program

A Department of Homeland Security program to strengthen port security has gaps that terrorists could exploit to smuggle weapons of mass destruction in cargo containers, congressional investigators have found.

The report by the Government Accountability Office assessed the Customs-Trade Partnership Against Terrorism (C-TPAT), a federal program established after the Sept. 11, 2001, attacks to deter a potential terrorist strike via cargo passing through 326 of the nation's airports, seaports and designated land borders.

Under the program, roughly 8,000 importers, port authorities and air, sea and land carriers are granted benefits such as reduced scrutiny of their cargo. In exchange, the companies submit a security plan that must meet US Customs and Border Protection's minimum standards and allow officials to verify their measures are being followed. A 2005 GAO report found many of the companies were receiving the reduced cargo scrutiny without the required full vetting by US Customs (CBP). Despite some improvements, GAO said Customs officials still couldn't guarantee that companies were in compliance.

Among the problems:

- A company is generally certified as safer based on its self-reported security information that Customs employees use to determine whether minimum government criteria are met. The agency does not typically test the company's supply-chain security practices.
- Customs employees are not required to use third-party or other audits of a company's security measures.
- Companies can get certified for reduced Customs inspections before they fully implement security improvements requested by the US government. Customs employees don't systematically follow up to ensure that improvements were made and that security practices remained consistent with the minimum criteria.

"Until Customs overcomes these collective challenges, Customs will be unable to assure Congress and others that C-TPAT member companies that have been granted reduced scrutiny of their US-bound containerized shipments actually employ adequate security practices," investigators wrote. The GAO urged CBP to require consideration of third-party and other outside audits and take steps to see that companies comply with any additional security improvements requested. The report also calls for technology to help improve consistency and better information-gathering in Customs' security checks.

Customs officials agreed they could do more to follow up on suggested security improvements but said employees often use their expert discretion in assessing potential danger before certifying a company. CBT also said the program has made the nation safer.

The independent Sept. 11 commission cited the potential dangers in its 2004 final report, stating that compared to commercial aviation, "opportunities to do harm are as great, or greater, in maritime or surface transportation." DHS has said that while the likelihood of terrorists smuggling weapons of mass destruction into the US in cargo containers is low, the nation's vulnerability is potentially high.

The GAO study examined 25 company reviews by Customs and Border Protection in 2006. Investigators interviewed officials, reviewed documents and studied the CBT's minimum security criteria.

SOURCE: Associated Press

All Containers In-Transit To the US Will Require High-Security Bolt Seals

Effective Oct. 15, 2008, US Customs and Border Protection (CBP) will require all containers in-transit to the US to be secured with a high-security bolt seal.

Importers are responsible for ensuring that their containers are sealed according to regulations.

Although this is a new regulation, it is not a new industry practice, as virtually all maritime cargo containers entering the United States are already secured with a high-security bolt seal as mandated by C-TPAT.

C-TPAT's minimum security criteria for importers state that "at point of stuffing, procedures must be in place to properly seal and maintain the integrity of the shipping containers. A high-security seal must be affixed to all loaded containers bound for the United States. All seals must meet or exceed the current PAS ISO 17712 standards for high-security seals."

A high-security seal is defined in ISO/PAS 17712 as a "seal constructed and manufactured of material such as metal or metal cable with the intent to delay intrusion...generally must be removed with quality bolt cutters."

C-TPAT also requires that importers conduct a comprehensive assessment of their international supply chains based upon the C-TPAT security criteria, and endorses the application and implementation of security measures based upon the risk analysis.

APL Recommends Theft-Deterrent Barrier Seals

APL recommends that customers moving high value and/or sensitive cargo adopt an added level of security by using an indicative (non-keyed) theft deterrent barrier seal. The seals are stronger, made of heavier metal, and can be breached only by using industrial-strength power cutting tools.

The use of barrier seals can reduce the possibility of:

- Cargo theft or tampering
- Unauthorized material being inserted into the container
- Delays that result when seals are missing or broken.

Union Pacific Railroad (UP) already requires that all domestic shipments of consumer electronics use an indicative (non-keyed) theft deterrent barrier seal.

SOURCES: SDDC and HHGFAA

Hodge Takes Command of SDDC

Brig. Gen. James L. Hodge took command of the US Army Military Surface Deployment and Distribution Command (SDDC) during a Change of Command ceremony June 30 at the Scott Air Force Base parade field. Hodge assumed command from Army Brig. Gen. Brian R. Layer, who had served as acting commanding general of SDDC since May 12.

Air Force Gen. Norton A Schwartz, commander, US Transportation Command, hosted the ceremony and Army Gen. Benjamin S. Griffin, commanding general, Army Materiel Command, officiated.

"It's great to be back at SDDC," Hodge said during the ceremony. "It's a true privilege to serve again with a command that has proven time again that it's capable of learning to adapt to a changing environment."

Hodge served as SDDC's deputy commanding general from August 2005 to September 2007. He recently arrived from assignment as commanding general (Forward) Army Materiel Command Forward and Army's Coalition Forces Land Component Command's C4 (Logistics and supply), Southwest Asia.

Hodge, a native of Norton, Ohio, graduated from the US Military Academy at West Point, New York, in the class of 1978 and was commissioned as a Second Lieutenant in the Transportation Corps. Upon completion of the Transportation Officer Basic Course, he was assigned as a platoon leader in the 7th Transportation Group, Fort Eustis, Va.

Left to right: CSM Tomas Hawkins; Brig. Gen. Brian R. Layer, outgoing acting commanding general of SDDC; Brig. Gen. James L. Hodge, incoming commanding general of SDDC; Army Gen. Benjamin S. Griffin, commanding general of Army Materiel Command; and Air Force Gen. Norton A Schwartz, commander of US Transportation Command, stand together as the official party of the SDDC Change of Command ceremony June 30 at the Scott Air Force Base Parade Field.

Air Force Gen. Norton A Schwartz, commander, US Transportation Command, passes the Transportation Colors to Brig. Gen. James L. Hodge, who took command of the US Army Military Surface Deployment and Distribution Command on June 30 during a Change of Command ceremony at Scott AFB.

His past assignments include serving as Movements Officer and Data Base Analyst, 4th Transportation Brigade, Oberursel, Germany; Operations Research Analyst and Assignments Officer, US Army Personnel Command, Alexandria, Va.; Supply Officer (S4), 2nd Armored Cavalry Regiment, Fort Lewis, Wash.; Transportation Staff Officer, United States European Command, Stuttgart, Germany; Logistics Action Officer, Officer Personnel Management System XXI Task Force, US Personnel Command, Alexandria, Va.; Logistics Officer (G4), Headquarters 4th Infantry Division, Fort Hood, Texas; and Chief Logistics Plans Division, United States Central Command, MacDill Air Force Base, Fla., among others.

He received his master's degree in Systems Management from the University of Southern California and a master's degree in Strategic Studies from the US Army War College. His military education includes the Transportation Officer Basic and Advance Courses, the Command and General Staff College, the Operations Research and System Analysis—Military Applications Course, Defense Language Institute (French), and the US Army War College.

His awards and decorations include the Legion of Merit with Oak Leaf Cluster, Bronze Star Medal, Defense Meritorious Service Medal with one Oak Leaf Cluster, Meritorious Service Medal with five Oak Leaf Clusters, Army Commendation Medal with one Oak Leaf Cluster to name a few.

SDDC provides global surface deployment and distribution services to meet the nation's objectives. SDDC deploys and sustains more than 90% of the Department of Defense's equipment and supplies by leveraging the capability of commercial industry and other military services.

Nominated to replace Gen. Schwartz at TRANSCOM is Gen. Duncan J. McNabb (USAF).

First Female Four-Star US Army General Nominated

America's first female four-star general has been nominated, the Pentagon announced recently. President Bush nominated Lt. Gen. Ann E. Dunwoody to serve as head of the Army's supply arm.

By law women are excluded from combat jobs, the typical path to four-star rank in the military.

"This is an historic occasion for the Department of Defense and I am proud to nominate Lt. Gen. Ann Dunwoody for a fourth star," said Defense Secretary Robert Gates. "Her 33 years of service, highlighted by extraordinary leadership and devotion to duty, make her exceptionally qualified for this senior position."

The Senate must approve the nomination.

Dunwoody was commissioned as a second lieutenant in 1975 after her graduation from the State University of New York in Cortland. She also holds graduate degrees in national resource strategy and logistics management. She became the Army's top-ranking woman in 2005 when she received her third star and became deputy chief of staff for Army logistics.

"I am very honored but also very humbled today with this announcement," said Dunwoody. "I grew up in a family that didn't know what glass ceilings were. This nomination only reaffirms what I have known to be true about the military throughout my career ... that the doors continue to open for men and women in uniform."

The Army Materiel Command handles all material readiness for the Army. During her career, Dunwoody has been assigned to the 82nd Airborne Division, 10th Mountain Division and the Defense Logistics Agency. She served with the 82nd Airborne in Saudi Arabia during the 1991 Persian Gulf War.

She has been awarded the Distinguished Service Medal, Defense Superior Service Medal, the Legion of Merit, the Meritorious Service Medal, the Army Commendation Medal, the Army Achievement Medal, Master Parachutist Badge and the Army Staff Identification Badge.

Lt. Gen. Ann E. Dunwoody

The first woman to become a general officer in the U.S. armed services was Brig. Gen. Anna Mae Hays, chief of the Army Nurse Corps, who achieved the rank in 1970 and retired the following year.

Elizabeth Hoisington, the director of the Women's Army Corps, was promoted to brigadier general immediately after Hays. She also retired the following year.

Maj. Gen. Jeanne M. Holm, the first director of Women in the Air Force, was the first woman to wear two stars, attaining the rank in 1973. In 1996, Marine Lt. Gen. Carol A. Mutter became the first woman to wear three stars. Mutter retired in 1999.

Currently, there are 57 active-duty women serving as generals or admirals, five of whom are lieutenant generals or vice admirals, the Navy's three-star rank, according to the Pentagon.

EDITOR'S NOTE: Gen. Dunwoody succeeded Maj. Gen. Kenneth L. Privatsky as commander of the Military Traffic Management Command (subsequently renamed the Surface Deployment and Distribution Command) in October 2002. She held that position for two years, and was succeeded by Maj. Gen. Charles W. Fletcher, Jr., who served in 2004–2006.

DoD Approves New Social Networking Web Site

By Karen Jowers

A new social networking Web site has been approved by Pentagon officials to help service members and their families and friends stay in touch. Families can get their own sites for free, and keep them as long as the sponsor is on active duty. The nonprofit network, Websites for Heroes (**www.websitesforheroes.com/**), is funded by donations from individuals and corporations.

The network is secure, password-protected, and requires little bandwidth. Family members who qualify for the free sites include parents and siblings of single troops, as well as spouses, kids and other relatives of married members. After verifying a service member's information, the Web site sends out user names and passwords. About 1,300 military families have signed up so far.

Each Web site offers two hours of streaming video, unlimited photo albums, interactive calendars and message boards, kids' pages, family directories, and family history sections. Officials said the goal is to give families personal, private connections.

Although there have been some large sponsors — the computer company Gateway paid for 1,000 families — others have donated $99 for one family for a year, or smaller amounts that are combined.

Karen Jones is a staff writer with Army Times, *from which this article is condensed.*

HHGFAA's 46th Annual Meeting Site Has Something for Everyone

Once again, HHGFAA members are looking forward to the industry's premier event — the Association's 46th Annual Meeting in beautiful Honolulu, Hawaii. Whether you're pining for the fabled white sand, yearning for water, or anticipating a fine working vacation among friends and colleagues, you'll enjoy ample opportunities to see popular sights and get to know this very special destination.

Here are just a few activities to whet your appetite for your week in Hawaii. Be sure to check out the Web sites to learn more about hours, fees, and what to expect.

Official Visitor and Tourist Site for the Islands of Hawaii

A great place to start if you're not familiar with what Hawaii has to offer. The site provides maps, information on Hawaii's Islands, ideas for day trips and much more. **www.gohawaii.com/**

Hawaii Superferry

Offering daily interisland ferry service between Honolulu, Oahu and Kahului, Maui. The ability to drive your own car, carry your own equipment, and transport everything —from luggage to canoes to packages to fresh produce—a new way to discover all of Hawaii. **www.hawaiisuperferry.com/**

SURF'S UP!

Hawaii Area Attractions

Royal Hawaiian Shopping Center

The center offers 293,000 square feet of pure shoppers' delight. With its more than 100 shops and restaurants, the Center has something for everyone. Along the four-tiered three buildings, you can purchase everything from fine designer apparel to fun-in-the-sun apparel, from fine jewelry to costume jewelry and Hawaiian treasures, from fine dining in many restaurants to dining on hot dogs and ice cream. **www.royalhawaiianshopping-center.com/**

Heli USA Airways Oahu

Soar high above Oahu's rainforests, valleys, waterfalls and beaches by day or take a romantic night tour high above the Waikiki skyline. For more information, visit **www.heliusa.com/select-oahu-hawaii-helicopter-tours.htm**

Pearl Harbor/USS Arizona Memorial

USS Arizona Memorial is the final resting place of the famous battleship that sank on Dec. 7, 1941. The Memorial commemorates the site where World War II began for the United States. Experience history through the national memorial's program tour, museum, and wayside exhibits. **www.nps.gov/usar**

Bishop Museum

The museum was founded in 1889 by Charles Reed Bishop in honor of his late wife, Princess Bernice Pauahi Bishop, the last descendant of the royal Kamehameha family. The Museum was established to house the extensive collection of Hawaiian artifacts and royal family heirlooms of the Princess, and has expanded to include millions of artifacts, documents and photographs about Hawaii and other Pacific island cultures. **www.bishopmuseum.org/**

2008 Hawaii Fishing and Seafood Festival

The Hawaii Fishing and Seafood Festival takes place on Oct. 12 in the heart of Honolulu on the waterfront at Pier 38 in the Honolulu Fishing Village. **www.fishtoday.org/**

HHGFAA 46th Annual Meeting
Tentative Schedule-At-A-Glance

Saturday October 4	Sunday October 5	Monday October 6	Tuesday October 7
10:00am–6:00pm Registration	**7:30am–5:00pm** Registration	**7:30am–5:00pm** Registration	**7:30am–12:00 noon** Registration
10:00am–5:00pm Exhibit Setup	**7:30am–9:30am** Breakfast	**7:30am–9:30am** Breakfast	**7:30am–12:00 noon** Network Central and Exhibits Open
9:00am–11:00am AMMB/Executive Committee Breakfast Meeting	**9:00am–5:00pm** Network Central and Exhibits Open	**8:00am–9:00am** AFW Scholarship Board Breakfast	**7:30am–10:00am** Exhibitors Breakfast
11:00am–4:30pm Executive Committee Meeting	**9:30am–11:30am** Claims Workshop	**9:00am–12:30pm** Network Central and Exhibits Open	**9:00am–12:00 noon** Active Membership Meeting
1:00pm–2:00pm Executive Committee Lunch	**11:30am–1:00pm** Exhibitors Reception	**9:30am–11:30am** Associate Membership Meeting	**12:00 noon–2:30pm** Exhibit Teardown
2:00pm–4:00pm PowerTrack Workshop	**12:00 noon–2:00pm** ISA Board Meeting and Lunch	**11:30am–1:00pm** Cocktail Reception	**12:00 noon–1:30pm** LUNCH ON YOUR OWN
5:15pm–6:15pm New Members' Reception	**1:00pm–2:00pm** YP-35 Board Meeting	**1:00pm–3:00pm** Luncheon and Hall of Honor Inductions	**1:30pm–4:00pm** Waves of Change In the DOD Program
6:15pm–8:30pm Opening Reception	**2:00pm–3:30pm** YP-35 Membership Meeting	**3:15pm–5:00pm** Network Central and Exhibits Reopen	**6:30pm–7:30pm** Reception
	2:30pm–3:30pm ISA Membership Meeting	**3:30pm–5:30pm** Military and Government Affairs Workshop	**7:30pm–9:30pm** Closing Dinner and Entertainment
	4:00pm–5:00pm ISA Board Meeting	**9:00pm–11:30pm** YP-35 Mixer	**9:30pm–11:30am** Post-Banquet Entertainment

What to Wear

Here are some guidelines for appropriate dress at the 46th Annual Meeting events to help you pack for your trip to Hawaii.

HHGFAA Meetings: Business Casual
Men: Collared shirt, khakis, slacks
Women: Pants, skirts, business dresses

Opening Reception (outside on lawn): Resort Casual
Men: Collared shirts, golf shirts, khakis, slacks, knee-length shorts
Women: Casual skirts, pants, sundresses, sheaths

Closing Dinner: Business Attire and Traditional Dress
Men: Blazers, tie and slacks, business suits, or traditional dress
Women: Pant suits, cocktail dresses, or traditional dress

Overview: Government & Military Programs

The Government & Military portion of the 2008 HHGFAA Annual Meeting — in keeping with our theme, **"Riding the Waves of Change"** — will focus on the US military's new Families First program and its new Web-based tool, the Defense Personal Property System (DPS); there will also be concentration on the effects of **Full Replacement Valuation** (FRV) in both current and future DOD programs, as well as new invoicing challenges ahead in Families First and DOD's new **Customs Process Automation** (CPA).

The first day of the Annual Meeting sets the tone for our Government & Military program. On Saturday afternoon (2:00–4:00 PM) US Bank will offer a look into how their electronic payment vehicle, **PowerTrack**, will interface with DPS and show TSPs some of the new features their system has to offer.

Sunday morning during the **Claims Workshop** a panel moderated by Jan Moore, Chair of the HHGFAA Claims Committee, will discuss several issues, including a review of the first year of FRV in the DOD program. The panelists will be Joe Goetzke, the Army's Chief of the Personnel Claims and Recovery Division; Brett Coakley, Attorney-Advisor, Air Force Claims Service Center; and Linda Bluel of Claims Adjustment Technology. A demonstration of the new DPS Claims Module will also be held — the first time most of the industry has had an opportunity to view the new claims system.

The **Military & Government Affairs Workshop** on Monday (3:30–5:30 PM) will be moderated by Jeff Coleman, HHGFAA Vice Chairman and Chair of the Government/Congressional Affairs Committee. This is always one of the highlights of the Annual Meeting and is usually standing room only. This year is expected to be no different. The panelists will include Brian Kellhofer, of the US General Services Administration (GSA); Luis Roque, representing the US Department of State; LTC Daniel Bradley, the Deputy Director for Passenger & Personal Property at SDDC; and LTC William Carberry, the Program Manager for the Joint Program Management Office for Household Goods Systems (JPMO HHGS-USTRANSCOM). Each will make a short presentation on current issues affecting their areas, followed by a question-and-answer period. A lively discussion is sure to unfold.

The final government and military-oriented special session for the Annual Meeting will be held on Tuesday afternoon (1:30–4:00 PM). Its title — **"Waves of Change in the DOD Program"** — once again captures the flavor of the session. Attendees will hear from Maj. Joseph Moritz, Program Manager–Customs Process Automation, and Steven Jebo, who will discuss the new TRANSCOM initiative to completely automate the customs clearance process overseas. LTC Carberry and several of his staff will then provide an in-depth view of the current and future status of DPS. Finally, the session will wrap up with closing remarks from Charles White, HHGFAA's Director of Government & Military Relations.

Annual Meeting attendees involved with US DOD business should not forget that the **SDDC's Pacific Worksho**p will be held immediately following the HHGFAA Annual Meeting (Oct. 7–10), also at the Hilton Hawaiian Village Beach Resort & Spa. Industry is invited to attend the SDDC workshop on Oct. 8–9. The keynote speaker for that event will be SDDC Deputy Commander Patricia Young, who is also registered to attend the HHGFAA Annual Meeting.

From a Government and Military perspective the 2008 HHGFAA Annual Meeting will obviously be quite informative. These events are a great opportunity for current entities and those companies hoping to participate, in the DOD Personal Property Program, the GSA moving program and/or the U.S. Department of State program to meet and introduce your companies to some of the key decision makers in these high volume government programs.

YP-35 2008 Elections: Your Vote Is Important!

SLATE OF CANDIDATES

YP-35 CHAIR
Stephan Geurts Jr. • GovLog NV (Belgium)

YP-35 VICE-CHAIR
Paula Colmenares • Portan (Colombia)
Cedric Zibi • Neer Service (France)

HOW TO VOTE

The 2008 YP-35 election for Chair and Vice-Chair will begin on **August 18, 2008,** via an online voting process. The election will last for 30 days and will conclude on **September 15, 2008**. Shortly before the election is scheduled to begin, YP-35 members will receive an e-mail with instructions as to how to cast their vote. If you are a YP-35 member and you have not received a notification concerning the election by August 25, 2008, please contact Ms. Jean Mathis at the HHGFAA office by calling (703) 317-9950 or via e-mail at *Jean.Mathis@hhgfaa.org* to confirm that you are a YP-35 member in good standing (dues paid) and that we have your correct e-mail address on record.

The election results will be announced at the HHGFAA Annual Meeting in Honolulu, Hawaii, October 4–7, 2008. The Annual Meeting is fast approaching — don't forget to register and book your hotel room(s) before it's too late! You'll find more information at **www.hhgfaameetings.org**.

ATTENTION YP-35 MEMBERS: Please check your contact details and e-mail address on the YP-35 Website (**www.yp-35.org**) and let us know if any corrections need to be made so that we may properly contact you and keep you informed. Make sure that your birth date is listed! If you have difficulty accessing the Web site, or if you have questions or ideas concerning YP-35, and to supply your updated contact information, please e-mail *pcolmenares@portan.com*

Website: www.yp-35.org

ALAN F. WOHLSTETTER SCHOLARSHIP UPDATE

The Alan F. Wohlstetter Scholarship Fund is the cornerstone for the HHGFAA Scholastic Assistance Program, which is aimed at promoting and supporting individuals engaged in higher education involved in the areas of transportation and logistics. Donations (by major annual giving levels) to the Alan F. Wohlstetter Scholarship Fund received in the last 12 months are as follows:

Platinum ($5,000 or more)

Matson Navigation Company, Inc.
*Royal Hawaiian Movers, Inc.

Gold ($2,500–$4,999)

ABBA International, Inc.
Approved Forwarders
Continental Van Lines
Royal Hawaiian Movers, Inc.
The Pasha Group

Silver ($1,000–$2,499)

Adele Forwarding
*Arven Freight Forwarding, Inc.
Deseret Forwarders
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Bronze ($500–$999)

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New Development Strategies for Ocean Shipping

By Patrick Burnson

With bunker fuel prices reaching record highs and demand for Asian imports slackening, will North American shippers see a resurgence of hemispheric trade?

"One could make a plausible argument that such an adjustment is merited," said Paul Bingham, principal of global trade and transportation practice for Global Insight Inc. "Canada is our leading trade partner, and Mexico is third (behind China), so we might see a little more cross-border business in the near-term. That does not mean a big increase in short-sea shipping or inland waterway movements, however. Until the Jones Act is revisited, there isn't much chance of seeing coastwise shuttles or more barges."

Indeed, the Jones Act — which mandates that all carriers plying domestic trade lanes be American-flagged — has proven to be an instrument vulnerable to abuse. Several vessel operators have recently been investigated by the US Justice Department for price fixing and collusion, and there's been no rush by existing players to introduce new services.

"But on a global scale," said Bingham, "we are seeing a lot more regional activity designed to shorten supply chains and save ocean carriers cost."

Trade lanes in Southeast Asia and the Mediterranean are two prominent examples of this trend, according to analysts, who point to the fact that carriers can use smaller vessels and spend less money on fuel. "And on the Trans-Pacific and Trans-Atlantic lanes, we are seeing more rationalization and new alliances," says Bingham.

Bingham and other trade analysts took special note of the fact that Maersk Line broke away from an historic and institutionalized "go-it-alone" attitude to become more collaborative. This happened when the Danish carrier announced the organization of a new Vessel Sharing Agreement (VSA) with Swiss carrier Mediterranean Shipping Company (MSC) and French-based CMA-CGM. This cooperation consists of three strings of five vessels, each between Asia and North America.

Ocean carriers are using a variety of deployment strategies to mitigate higher energy costs and better target emerging markets. Capacity exceeds demand, as usual, but that doesn't mean shippers will get a break on rates. Industry analysts say that in the liner trade there are several ways to keep floating assets on an even keel.

SOURCE: Logistics Management

New UN Treaty Would Streamline Sea Trade Law

The UN Commission on International Trade Law (UNCITRAL) has adopted a new draft convention on carriage of goods by sea that officials said would modernize and streamline existing legislation and reduce costs of international trade. It followed six years of negotiations by about 90 states.

Officials said a key feature of the convention was that it covered shipping between inland centers that includes sea transport and not just between one seaport and another. Until now, most countries, including the major maritime trading nations, have used rules dating back to 1924 to govern sea transport contracts. The new convention will:

- Require owners only sign one contract.
- Establish a more equitable regime taking into account the interests of all parties.
- Reduce transaction costs.
- Increase the financial limit of liability.
- Eliminate existing defense of carriers that damage or loss to goods occurred due to errors by a ship's captain or crew.
- End carriers' limitation of liability only to when the goods were hoisted on board.
- Expand carriers' liability for damage, loss or delay to begin when it receives the goods and to end when the carrier delivers them. Shippers now have the whole commercial operation covered.
- Include provisions for electronic transport records, not allowed for in existing legislation.

The convention will be sent to the UN General Assembly for final adoption later this year or early next. It will need to be ratified by 20 states to come into force.

A spokesman for UNCITRAL said, "It is believed to be an eminently pro-business, pro-international trade treaty," and believed that ratification would happen, as major trading nations like the United States had signaled that they would ratify the pact. Critics, however, say the convention heralds "a pre-Hague Rules free-for-all."

SOURCES: Reuters, Forbes, and Lloyds List

EU Conducts Shipping Review

The European Union is conducting a strategic review of its maritime transport policy that will be released in October — just as the liner shipping industry's exemption from EU antitrust enforcement is repealed.

Dimitrios Theologitis, head of the European Commission's Maritime Transport and Ports Policy unit, said recently that the strategic review has three main points of focus: helping the European shipping sector become more competitive in a globalized en ,
security and pollution in shipping.

"There is an enormous potential for European shipping, both in deep-sea and short-sea trades," Theologitis told the 2nd International Ship Management Summit in Limassol, Cyprus. "The removal of obstacles and simplification of controls in Europ
forward." He said competitive pressures from shipping nations in the Pacific and Indian Oceans will continue to increase, so the European maritime industry needs to be proactive, not reactive in facing the issues confronting it.

The issue of the shortage of qualified seafarers is an area where the EU has had less success within the industry, he said.

The EU has been working to improve health and safety conditions on board vessels. "We make constant efforts on the training and certification requirements of seafarers," Theologitis said.

The EU has been instrumental in bringing into reality the consolidated convention on maritime labor of the International Labor Organization, but its efforts in support of seafarers has received very little attention or notice in shipping circlers, he said.

SOURCE: Journal of Commerce

Survey: Confidence Good, But Finance Costs High

Confidence in the shipping industry remains high despite the global credit crunch, but the majority of shipping interests expect finance costs to rise, according the latest Shipping Confidence Survey by Moore Stephens, a London-based shipping and insurance adviser.

On a scale of 1 to 10, the overall confidence shown in the market by survey respondents was unchanged at 6.8, with owners and managers expressing the highest levels of confidence at 7 (marginally down on the previous survey) against the 6.3 recorded by charterers.

Some respondents acknowledged that the current financial crisis could affect world trade, although this was balanced by the expectation that continuing high demand from Asia would enable shipping to ride out the financial slump.

Meanwhile, a shortage of qualified crew — which could ultimately lead to owners being forced to lay up vessels and default on

Demand trends and competition emerged as the factors deemed most likely to influence performance over the next 12 months.

Operating costs, which were cited as the most significant factor in this category in the last survey in March, came in fourth, behind the cost of finance.

Comments included doubts about the industry's ability to build sufficient numbers of new ships to meet demand, and the inability of freight rates to keep pace with the rocketing price of oil.

Among the findings:

- 66% expect finance costs to be higher in 12 months' time than they are at present, against 56% in the previous survey.
- The proportion of brokers anticipating a higher cost of borrowing rose sharply from 47% to 71%, while 70% of managers and 59% of owners shared the same expectation.

Owners remained the most likely to make a major investment or significant development during the next 12 months, but their rating of 6.5 out of 10 (against an average overall score of 5.9) was a half-point down on the previous survey. Ship managers returned a score of 6 in this category, an increase of 0.3 points.

Opinions about the direction in which freight rates in the tanker market were likely to move over the next 12 months showed some sharp variations, with 64% of charterers expecting rates to increase, compared to only 31% of owners. Similarly, 37% of owners who responded expected tanker rates to be lower, compared to just 9% of charterers.

In the dry bulk sector there was evidence of a leveling-out in market expectations, with a 4% increase, to 32%, in the number of respondents who expected rates to be higher in 12 months' time, and a corresponding fall, from 40 percent to 35%, in those who were predicting lower rates.

Finally, 50% of charterers expected higher rates in the containership trades over the next 12 months, compared with only 26% of owners, and 28% of managers.

SOURCE: American Shipper

In Brief ...

Global marine terminal operator **DP World Limited** has signed a binding sale and purchase agreement for a 60% shareholding in Contarsa Sociedad de Estiba (Contarsa), a privately owned company that holds the exclusive concession for Tarragona container terminal in northern Spain. Tarragona Port, which handles 100% origin and destination cargo, is located on the Mediterranean near Barcelona, serving the hinterland of northern and central Spain. Tarragona has the potential to expand and to attract cargo-seeking alternatives to nearby ports.

❖

The **United Arab Shipping Company** has ordered nine container ships costing over US$1.5 billion (S$2.04 billion) from Samsung Heavy Industries. The UASC's current fleet includes 41 container ships which will be joined by another three this year and 10 more in 2009.

Time to Limit Regulation

By Thomas M. Sullivan

With seven months left in the Bush Administration, attention naturally turns to the upcoming presidential race and speculation about what will happen after the election in November.

Unfortunately, for small business, this period is also when federal agencies issue "midnight regulations" in a rush to finalize regulations by officials who will leave when the president's term ends.

A recent paper from the Mercatus Center at George Mason University, "Midnight Regulations: An Update," makes it clear that in the "midnight period" — the three months between Election Day and inauguration day — regulatory output substantially increases.

The authors document that, going back to 1948, when the White House switches parties, the number of pages in the *Federal Register* (where rules are published) increases on average by 17% in the three months following the election compared to non-election years.

Since federal regulations have a disproportionate impact on small businesses — the smallest of which annually pay 45% more per employee to comply with regulations than their biggest counterparts — this is obviously bad news for them and their employees.

More important, as Office of Advocacy research shows, American small business creates 60 to 80% of our net new jobs. Clearly, **this is not the time to ramp up the growth in federal regulations that impose a greater burden on small business**.

That is why I am pleased that the White House has sent a strong and proactive message that this administration will avoid the last-minute proliferation of regulations that can happen when the presidency changes.

On May 9, White House Chief of Staff Joshua Bolten issued a memorandum to the heads of federal executive departments and agencies, noting: "Over the last seven years, our Administration has worked to achieve through regulation important public benefits while minimizing regulatory costs on the American people." The memo continues: "We must recognize that the burden imposed by new regulations is cumulative and has a significant effect on all Americans." The memo charges agencies to continue an open and transparent process of maximizing regulatory benefits while minimizing costs. It requires that all regulations that are meant to be finalized during the current administration be proposed no later than June 1, 2008; final regulations are to be issued no later than Nov. 1, 2008.

The memo requires agencies to examine any rules they intend to finalize before the end of the administration to make sure they are in compliance, and gives the Office of Information and Regulatory Affairs inside the Office of Management and Budget responsibility for overseeing that compliance.

Nothing in the memorandum is intended to impede an agency's ability to carry out existing law. Moreover, in extraordinary circumstances, agencies could propose and finalize rules outside of the deadlines.

In its recognition of the cumulative burden of regulation, the directive is in tune with the Regulatory Flexibility Act's (RFA) Section 610 "lookback" provision. It requires agencies to review regulations already in effect to see whether they are obsolete or duplicative - with an eye to reducing the cumulative burden on small entities.

Congress has charged the Office of Advocacy with the responsibility of monitoring agency compliance with the RFA, and independently bringing the voice of small business into the regulatory process.

As part of our effort to fulfill that charge, at the end of February, we announced our 2008 Top 10 Rules Ready for Review and Reform. Drawn from more than 80 regulations nominated by the small business community, the Top 10 is the annual culmination of our Regulatory Review and Reform (r3) Initiative. This initiative gives small businesses one tool to address the growing regulatory burden, while encouraging agencies to achieve their regulatory goals.

In several months, this administration will close another chapter in American history. What will not end is the Office of Advocacy's strong commitment to ensuring that small businesses have an opportunity, through the RFA and the r3 initiative, to be a part of the conversation about newly proposed regulations as well as significant regulatory mandates already on the books.

Thomas M. Sullivan is the Chief Counsel for Advocacy, Office of Advocacy, U.S. Small Business Administration.

Congress Urged to Support Drug, Alcohol Testing

The American Trucking Associations recently called on Congress to help the US trucking industry to improve highway safety by supporting efforts to enhance drug and alcohol testing for the nation's 3.4 million truck drivers.

The move came in conjunction with the recent release of a 74-page Government Accountability Office report showing a flawed oversight system that allows truckers to fail a drug test and yet move on to driving for another company, the *Dallas Morning News* reported.

Some trucking companies do not conduct required pre-employment and random drug tests and have limited incentives to do so; moreover, only about 2% of all trucking companies undergo checks each year by state agencies and the Federal Motor Carrier Safety Administration, according to GAO.

"Trucking has worked diligently to eradicate drug and alcohol abuse from its work force [and] we've made great progress in recent years," ATA President Bill Graves said in a statement. "But we are requesting additional help from the government since it is a federally required program involving significant federal oversight. [The GAO] report confirms the need for what ATA has been recommending for many years - a national database of drug and alcohol test results."

ATA urged Congress to take swift action to authorize and fund a national database of drug and alcohol testing results of commercial drivers "to make a good testing program even better."

Consistent with GAO's recommendations, ATA asked Congress to ban the manufacture, sale and distribution of products that help some drivers evade drug tests; for penalties for those who use them; and to provide the Transportation Department with additional authority to improve oversight of specimen collection facilities and practices.

ATA also urged Congress to direct the Substance Abuse and Mental Health Services Administration and DOT to allow the testing of alternative specimens such as hair, which allows illegal drug use to be detected for a longer period of time.

SOURCE: Transport Topics

US Army Reserve, Con-way Freight Launch Partnership

The US Army Reserve and Con-way Freight have launched a unique public-private partnership that will allow both organizations to recruit, train and employ individuals interested in both serving the nation and pursuing a career in the commercial freight transportation industry.

The agreement provides Army Reserve Soldiers opportunities for employment with Con-way Freight once they successfully complete their military occupational training. The Army Reserve and Con-way Freight will work together to recruit, license, and offer training reciprocity to qualified Soldier candidates who are entering the freight transportation field.

"We are proud to have Con-way Freight, a company that has a strong reputation for supporting the US military, as an employer partner," said Lt. Gen. Jack C. Stultz, Chief, Army Reserve and Commanding General, Army Reserve Command. "

"The brave men and women of the Army Reserve are well known for their leadership, teamwork and professionalism. They understand esprit de corps and they bring a level of experience and work ethic to the job that's a tremendous asset for our organization," said John G. Labrie, president, Con-way Freight. "We consider it a competitive advantage to be a recommended employer of choice for such a highly skilled and dedicated group of individuals as they take the next step in their careers."

The Employer Partnership seeks to formalize the relationship between the Army Reserve and the private sector. It establishes a process whereby employers and the Reserve may secure and share the talents of trained professionals. Partners such as Con-way Freight will benefit from the employment of men and women with Army values, experience and proven leadership skills. Other Employer Partners include American Trucking Associations, Inc., and Inova Health Systems.

NAFTA Damages Sought by Mexican Truckers

By Sean McNally

Mexico's principal trucking group said its members have lost more than $2 billion a year because the United States has refused to allow cross-border trucking as required by the 1993 North American Free Trade Agreement (NAFTA) and that it is seeking damages through arbitration.

The action by Camara Nacional del Autotransporte de Carga, or Canacar, is the latest development in the long dispute over allowing Mexican trucks to deliver freight to destinations within the United States.

Canacar said the United States violated NAFTA by "refusing entry of [Mexican trucks] into the United States for provision of trucking services and by prohibiting [them] from investing in United States enterprises that provide such services."

In 2000, Mexico won a NAFTA arbitration panel decision that said the US refusal to allow Mexican trucks to deliver north of the border violated the treaty, which was signed by the United States, Mexico, and Canada.

In 2001, President Bush said he would open the border, but Congress enacted a series of requirements for truck and fleet inspections, and several lawsuits have blocked attempts by the US Department of Transportation to allow Mexican truck deliveries. Last year, DOT began a pilot program to open the border on a limited basis.

The value of goods moved by truck between the two nations has grown nearly 50% since Bush moved to open the border. Last year, trucks carried some $230 billion in freight between the nations.

In an April 2 letter to the State Department, Canacar said it would "submit a claim to arbitration" under NAFTA, which allows private groups and governments to seek damages.

Canacar cited a Mexican government estimate that the United States' breaches cost Mexico more than $2 billion a year, and asserted that the majority of that damage has been inflicted Canacar members. Canacar did not specify how many years' worth of damage it would seek. If damages were to start from the last arbitration ruling, the bill could come to nearly $14 billion.

"They would essentially have to cut a check" to Canacar if the group prevails, said Mark Maney, a Houston attorney representing the group.

DOT Secretary Mary Peters has often said the United States could face up to $2 billion annually in NAFTA penalties, an estimate based on the costs of denied border crossings, lost profits, wasted capital investments, and other associated costs.

Canacar estimated the border closure "costs Mexican trucking companies approximately $100 per crossing" and with the number of crossings, "the claimants have been damaged more than $1.35 billion over the last three years." Also, Canacar said the Mexican trucking industry suffered "more than $1 billion" in lost profits and had to spend "tens of millions of dollars" to comply with US safety and environmental standards, with no financial return.

"We also note that current regulations have the perverse effect of encouraging the use of older trucks for drayage across the border, exacerbating the pollution and safety issues used by the United States as its excuse to avoid its NAFTA obligations," the Mexican group said.

Freight crossing the border now is generally carried by longhaul trucks to the border, and then crosses into the United States in older drayage vehicles that stay within a narrow commercial zone.

State Department attorney Heather Walsh said the United States was "reviewing" Canacar's claim and was preparing to meet with the group. Maney said the arbitration process usually takes less than 18 months.

Federal Motor Carrier Safety Administrator John Hill said the United States was trying to meet its NAFTA commitment with the pilot program.

However, Maney said Canacar viewed the pilot program, which is the subject of unresolved litigation in the United States, as "way too little too late."

Canacar Operating Director Oscar Moreno told Transport Topics, "We want the full NAFTA program implemented."

Leslie Miller, a spokeswoman for the Teamsters union, which has been a very active opponent of opening the border, said the main issue is highway safety.

"The NAFTA tribunal has said that we can impose different admission procedures on trucks from Mexico if safety is a concern, and safety is our concern, and safety was Congress' concern," she said. "The Mexican government has not kept its part of the bargain to raise standards to the point where a truck from Mexico is going to have the same level of safety as a truck from the United States."

Sean McNally is a senior reporter at Transport Topics, *from which this article was adapted. Staff reporter Frederick Kiel contributed to this report.*

Mallory Alexander Gets Premier Transload Designation

BNSF Railway Company has designated Mallory Alexander International Logistics, the operator of the Northern Plains Commerce Centre (NPCC) in Bismarck, N.Dak., as a member of the BNSF Premier Transload Network. This network is comprised of approximately 115 elite freight facilities.

The BNSF Premier Transload designation means that through the NPCC, a network of facilities are now available to provide rail services to even those industries that are not currently rail served. Businesses will now be able to take advantage of the long-haul efficiencies of rail transportation, combined with the local distribution strength of truck transportation.

The NPCC, the only logistics facility in North Dakota with the BNSF Premier Transload designation, includes a fenced, 4.5-acre area with transload capacity for the loading and unloading of eight railcars per day, as well as providing outdoor storage. The targeted commodities for this facility are lumber and construction materials, steel coil, pipe, and machinery. The entire facility encompasses 243 acres with an adequate staging area for large project cargo.

The BNSF Railway Company operates one of the largest rail networks in North America with 33,500 route miles covering 28 states and two Canadian provinces.

Agencies Target Movers in Compliance Crackdown

By Thomas L. Gallagher

The US Federal Motor Carrier Safety Administration recently concluded a strike force investigation involving nearly 350 moving companies located in 13 states and the District of Columbia. In all, 1,140 violations of federal regulations were recorded, resulting in nearly $325,000 in assessed fines.

"Interstate movers with fraudulent or rogue operations are hereby put on notice: Federal investigators will be knocking on your door in the future and you will face serious legal and financial consequences," FMCSA Administrator John H. Hill said. "During this strike force alone, six companies received federal fines in excess of $27,000."

During 11 days in May, FMCSA cooperated with state law enforcement and consumer protection agencies to conduct compliance reviews. The 350 companies found out of compliance were culled from nearly 4,000 complaints received in the previous year.

Consumers can help identify noncompliant household goods movers by calling FMCSA's nationwide complaint hotline, 1-888-368-7238 (1-888 DOT-SAFT) or by visiting http://nccdb.fmcsa.dot.gov.

Thomas L. Gallagher is Web editor for Traffic World*, from which this article was adapted.*

Highway Watch Program Ended Due to TSA Grant to Contractor

The Department of Homeland Security has awarded a $15.5 million trucking security grant to an Alexandria, Va., firm, effectively ending American Trucking Associations' four-year-long Highway Watch program.

The 2008 fiscal year grant was awarded to HMS Company from a field of 11 competitors, according to the Transportation Security Administration, which is part of DHS. It was the first year it was up for competitive bidding.

ATA said it was "disappointed" that it was not selected to continue the program and that it was proud of its past accomplishments.

It is unclear how long Highway Watch will continue to operate, but a research component of program evaluation and assessment will continue through the 2008 calendar year, ATA said.

"We have expanded the number of individuals trained under the program from 10,000 to over 830,000 and fielded over 10,000 incident calls," ATA said. "The program has been a valuable source of reporting and intelligence regarding incidents and potential threats to the nation's highway and motor carrier sector. We believe the Highway Watch program has contributed to America's safety and security."

SOURCE: Transport Topics

Coaching Can-Do

Getting a little help from those who've been there before—assuming they actually know what they're doing—can come in handy. Now there's evidence that, in addition to the weary worker receiving the tips, coaching is a boost to the whole company. Coaching used to carry a stigma because it was more frequently directed at problem employees. Today, it's more likely a sign the employee is on the fast track, and the organization is serious about raising performance levels and developing talent, according to a global study of 1,030 managers and executives commissioned by American Management Association and conducted by the Institute for Corporate Productivity. Here are some of the study's key findings:

- When asked about the groups their organizations coach, 60% of respondents say coaching involves high-potential employees to a high or very high extent, and 42% say the same about executives. By contrast, 37% say they coach problem employees to such a high extent.
- Respondents from organizations that use coaching more now than in the past are more likely to report two kinds of advantages: They are more likely to state their organizations have higher levels of success in the area of coaching, and they are more likely to say their organizations are performing well in the market.
- The study finds that raising individual levels of performance is the No. 1 reason for using coaching, and that using coaching for this purpose is highly correlated with the success of coaching programs.
- Sending potential coaches to external development programs is more strongly correlated with overall coaching success than more internally focused methods. Yet, those external programs are less commonly used, suggesting strong consideration needs to be given to using external coaching programs to enhance internal results.
- The more a company has a clear reason for using a coach, the more likely its coaching process will be viewed as successful. The more frequently respondents report using a measurement method to gauge coaching effectiveness, the more likely they are to report success in their coaching programs. The measurement methods most strongly linked to success are individual increases in productivity, impact on engagement, satisfaction with the program, and bottom-line effects on the business.
- Survey participants were asked to what extent their organizations used certain criteria to match coaches with coachees. By far, the most frequent basis for matching is the coach's expertise. Almost three-quarters of respondents (74%) say matching decisions are-either frequently or a great deal-based on finding a coach with the right expertise to address specific issues.
- The study also shows it pays to interview coaches. When asked about the criteria they use to select coaches, only 54% say they interview potential coaches frequently or a great deal. Yet, this basic step is more correlated with reported success of coaching than any other selection strategy. Both time and money are wasted when organizations fail to invest time up front matching employees with coaches.

Coaching used to carry a stigma because it was more frequently directed at problem employees. Today, it's more likely a sign the employee is on the fast track, and the organization is serious about raising performance levels and developing talent.

Note: Even managers need coaching-especially during times of change. Read *Productivity Coach's Corner: Making Changes* to find out how you can best initiate staff transitions.

Mobility Trends

Employers increasingly are looking to short-term and rotational assignments to accomplish their business objectives, according to a new survey of 208 US-based human resources practitioners by Worldwide ERC, an association for workforce mobility, and Cartus, a provider of global relocation and workforce development solutions. The 2008 Pulse Survey, *New Trends in Employee Mobility: Short-Term and Rotational Assignments within the U.S. on the Rise*, reveals that of the 80% of survey respondents who used short-term assignments, 57% expect to see an increase in the next 3 years, while 38% expect their short-term assignment volume to remain the same.

New Grad Recruitment

Rumor has it some of them think they can come to work in their pajamas, and expect a fast ascent to their ideal job role. Nevertheless, you still want them. The competition to recruit new college graduates is intense, and may require a strategy shift, says Martin McDonald, a recruitment consultant with TWC, a COMSYS company. “Recent graduates want unique perks and development opportunities-complete with a large price tag,” says McDonald, who devotes his practice to recruiting college-level talent across industries. “They have high expectations and many choices—a challenging proposition for the company used to its loyal Baby Boomer workforce.” McDonald offers the following tips to get you on the right track:

- **Listen up and learn.** Emphasize that learning in your organization isn’t a one-way street. Create opportunities for young new hires to teach older staff subjects, such as technology, that come naturally to many of them, and tell them about it during the interview process. “They are excited to take on that responsibility,” says McDonald, “and feel they would be able to make a contribution from day one.”
- **Maintain a satisfied workforce.** “We all look for opinions, reviews, and feedback when making a big decision,” he says. “Thus, keeping your current employees (e.g., the ones potential hires look to for opinion and level of satisfaction) is key.” Monthly happy hours, early dismissal once in a while when the weather is nice, providing breakfast once a week, or other thoughtful gestures pay off when attracting new talent. “Those simple—and inexpensive—perks translate into positive employee feedback,” McDonald notes. “Remember: When your employees say, ‘I love working here, this is a place that treats me well and considers my future,’ potential hires listen.”
- **Enhance the development experience.** Sending employees to conferences and training classes and calling it a day doesn’t cut it anymore. What’s working for many, says McDonald, is building an active and engaged mentorship program. But be careful to create a substantive mentoring experience. “Vital to the success of this relationship are minimum requirements for interaction and an articulation of desired results,” he says. “New hires want to feel the same level of value they felt during the job offer-or else they may begin to look elsewhere pretty quickly. Simple e-mails and phone calls from a mentor, hiring manager, or program director go a long way.”
- **Take advantage of collegiate ties.** Valuable relationships are forged in college that can be leveraged for your company, McDonald points out. A campus ambassador program is one way to do it. These alumni are responsible for maintaining a relationship with the school and developing camaraderie among current graduates in the company. Another tactic is to identify “College Champions,” employees who spearhead a group of “recruiters” who regularly visit a particular college to develop relationships with faculty, students, and other alumni. They elevate awareness of your company through speaking engagements and other special events. “Encourage younger employees to visit their alma maters and talk about their journey to today,” says McDonald, “focusing on how your company eased their career transition and continues to support their development.”

Workplace Ethics Update

Fifty-one percent of workers take time off during the day even though it’s against company policy, according to findings from the Deloitte *2008 Ethics and Workplace Survey*. Fifty-nine percent think it’s ethical to take time off from their jobs during work hours without providing a clear explanation to their immediate boss.

Note: Employees aren’t the only ones caught up in an ethical debate. *Read Corporate Responsibility: Perception Versus Reality* to find out how corporations today are frequently missing the bar on their public responsibility efforts.

All About Culture

EDITOR'S NOTE: As HHGFAA members prepare for the 46th Annual Meeting in October, this analysis of culture and the role it plays in our interactions with others offers some very good insights.

The field of cultural studies is a multidisciplinary field and many anthropologists, social psychologists, economists, management professors have defined culture in many different ways. Below are some popular definitions:

- "Culture is communication. This silent language includes a broad range of evolutionary concepts, practices, and solutions to problems which have their roots not in the lofty ideas of philosophers but in the shared experiences of ordinary people." (Edward T. Hall)
- "Culture consists of concepts, values, and assumptions about life that guide behavior and are widely shared by people... and are transmitted generation to generation, rarely with explicit instructions, by parents...and other respected elders." (Richard Brislin and Tomoko Yoshida)
- "Culture is the collective programming of the mind which distinguishes the members of one group or category of people from another." (Geert Hofstede)
- "Each culture distinguishes itself from others by the specific solutions it chooses to certain problems." (Fons Trompenaars)

The various definitions enable us to better understand culture in context. It is important to also to put some thought into what the role of culture is in your personal and professional life. Maybe you will say something like "Culture affected the way people created art" or "Cultures are value systems that provide societies social and economic balance and that influence how people think, feel and act." Defining culture in your own terms can help you better understand culture and be able to work more effectively and have a more satisfying life.

The role of culture in associations

As associations grow across borders, they become the product of many cultures. Effective global associations seek to respond to the needs of their international members, hire international talent, and understand local social circumstances. Thus they will develop global organizational cultures made up of values that give them strength as well as direction in responding to the many interests of members.

Learning culture

There are many ways of learning cultures. First of all, how do we learn our own culture? As seen in Brislin and Yoshida's definition above, culture embraces the idea that values are passed from generation to generation. This happens in subtle and not-so-subtle ways. Starting in infancy, mothers and fathers around the world react differently when their children drop a toy or hit another child or ask them a question. Families tell stories about each other that are rich with messages about what kind of person they should — or shouldn't — become. Often they offer lessons by means of proverbs. Proverbs have developed based on historical experiences, and some express similar values across cultures. But the word selection alone in these proverbs may be a clue for you about which culture the proverb belongs to. In fact, here are some proverbs with similar meanings but completely different word selection:

- Don't count your chickens before they're hatched. (English)
- Never promise a fish until it's caught. (Irish)
- Do not sell the skin before catching the gazelle. (Persian)
- Don't go selling the hide as long as the bear remains.

There also are proverbs that indicate cultures' different opinions about ideas. For example:

- Beauty is power. (Arab)
- He that has a bony wife needs more than two eyes. (Scottish)
- Beauty is the eye's food but the soul's sorrow. (German)
- What worth has beauty if it not be seen? (Italian)
- Though the peony be beautiful, it must be supported by green leaves. (Chinese)

Now, look at some proverbs that are suggestive of their culture:

- Let the camel get his nose in the tent and the body will soon follow. (Arabic)
- The lovelorn maiden under the plum tree forgets that the kettle is simmering on the hibachi. (Japanese)
- A sweet language brings out the snake from its hole. (Turkish)

Just like children, adults also learn culture best when they live and work in other countries for an extended period of time. They learn from people's interactions, the food, the arts and other outlets that distinguish cultures.

One other way of learning culture is by considering the descriptive models for culture developed by anthropologists, social psychologists and researchers of many other disciplines. Below are some of the most popular models:

Understanding other cultures

Understanding of other cultures is achieved with the realization that other cultures may do, expect, and perceive things differently for their own reasons. For example: A number of people begin to arrive for a meeting scheduled for 9:00 a.m. in culture A and culture B. In culture A, most people arrive on time, whereas in culture B most people arrive 10 minutes late. It's important to be aware of cultural norms in societies in order to manage our work effectiveness and stress levels when we work across cultures.

Communicating with other cultures

Communicating with other cultures effectively requires two things: Making it a goal to build and maintain trust, and negotiating culture

Living and working in other cultures

Living and working in other cultures can be as stressful as it is exciting. The host culture attracts people's attention in joyful and stressful moments; stressful moments need to be dealt with as soon as possible and can be attributed to culture shock.

What is culture shock?

Culture shock is the state of frustration a person may experience when interacting with a person from another culture. Different expectations and perceptions conditioned by culture give rise to misunderstandings, which in turn may cause culture shock.

Hofstede says that culture shock is frequently described as a series of stages that a person goes through, namely:

1. **Honeymoon.** This is where the new arrival experiences the curiosity and excitement of a tourist, although one's basic identity is rooted back home.
2. **Disorientation.** This stage involves disintegration of almost everything familiar. The individual is overwhelmed by the requirements of the new culture and bombarded by stimuli in the new environment. One feels disoriented and experiences self-blame and a sense of personal inadequacy.
3. **Irritability and hostility.** One typically experiences anger and resentment toward the new culture for its having caused difficulties and having been less adequate than the old familiar ways.
4. **Adjustment and integration.** This involves integration of new cues and a greater ability to function in the new culture. One increasingly sees the bad and the good elements in both cultures.
5. **Biculturality.** In this stage a person has become comfortable in both the old and the new culture. There is some controversy as to whether anyone can really attain this stage.

How can you manage culture shock?

Here is some advice by Dr. Anne Copeland of Interchange Institute:

1. **Describe—Interpret—Evaluate.** It's important to process this step in two ways: one, when you're trying to understand foreign messages and situations; and two, when you're trying to give messages and involve foreign people in situations.
2. **Write letters or keep a journal.** This places emphasis on description, as well makes as a good record of the experience, including changes in evaluation of the experience. Letters maintain long-distance social support that can be useful and encourage self-reflection.
3. **Keep a scrapbook of your experiences.**
4. **Understand the cultural roots of the things that annoy you.**
5. **Find a cultural informant.**
6. **Don't expect to feel the same as the rest of your family** during an overseas assignment.
7. **Remember your goals for living there.**
8. **Recognize signs of culture shock.**
9. **Reduce stress.** Exercise, meditate, or join support groups (hobby, other expat, etc.).

Will you experience culture shock when you return home?

Operating in a different culture is about developing new ways of thinking as well as learning new habits—and as everyone knows, habits are hard to break. Therefore, it's possible that you will experience culture shock when you return home. But if you strive to develop biculturality, assuming this is necessary or of interest to you, you may be able to minimize your culture shock and just focus on enjoying living in different circumstances—just like enjoying living with different seasons.

SOURCE: Adapted from American Society of Association Executives (ASAE) InTouch Newsletter *and Sirin Koprucu's Associapedia Wikipedia entry defining and contextualizing culture.*

Five Airlines Fined for Price Fixing on Air Cargo

The joint probe by the US Department of Justice and the European Commission into air-cargo price fixing netted its biggest catch yet when Air France and KLM, which now operate under common ownership by a single holding company, agreed to plead guilty and pay a $350 million criminal fine — the second-highest ever levied in a criminal antitrust prosecution, according to the Justice Department (DOJ).

In addition, Hong Kong-based Cathay Pacific Airways Ltd. agreed to pay a $60 million criminal fine; Martinair Holland, $42 million; and SAS Cargo Group, $54 million. Other carriers that had already pleaded guilty and accepted fines included British Airways, Japan Airlines, Korean Airlines and Qantas Airways.

DOJ charged that the airlines engaged in a conspiracy to suppress and eliminate competition by fixing the cargo rates charged to customers for international air shipments.

“The charged conduct affected billions of dollars of consumer and other goods ... shipped by these airlines and their competitors in the air cargo industry,” the department said. “As a result, freight forwarders, businesses and, ultimately, American consumers paid more than they should have for such products.”

If the court accepts the plea agreements, it would bring the total fines imposed in the Antitrust Division’s investigation in the air transportation industry to more than $1.27 billion, marking the highest total amount of fines ever imposed in a criminal antitrust investigation, DOJ said.

The companies have each agreed to cooperate with the Department’s ongoing investigation.

On Aug. 23, 2007, both British Airways and Korean Air each agreed to pay $300 million in criminal fines. The charges against British Airways included fixing passenger fuel surcharges.

The charges against Korean Air included fixing wholesale and passenger fares for flights from the US to Korea. Japan Airlines pleaded guilty on May 8 and agreed to pay a $110 million fine.

Qantas agreed in January to pay a $61 million fine. Bruce McCaffrey, the Australian carrier’s former top-ranking executive, agreed to serve eight months in jail and to pay a criminal fine.

Airlines Seek Oil-Trade Restrictions

The head of the US Air Transport Association recently asked Congress to impose new restrictions on “rampant oil speculation” he said is driving jet fuel prices to record levels.

“Leading economic and commodities experts around the world believe crude oil prices today are unnecessarily high and distorted due, in large part, to market manipulation and excessive speculation,” James C. May, the ATA’s president and CEO, told a Senate panel examining the Commodity Futures Trading Commission and its oversight of oil futures markets.

World oil prices have approached $140 a barrel, part of an unrelenting run up this year that has pushed jet fuel prices beyond $4 a gallon and diesel motor fuel close to $5 a gallon.

May said airlines, facing fuel costs this year that will exceed their fuel spending in the first four years of the decade combined, have cut some 14,000 jobs and flights to 100 communities to rein in spending.

“We are asking for Congress to take steps now to totally close the loopholes and make the market more transparent and balanced, to ensure a level playing field for all,” May said.

“If Congress does not act soon, the USA will not have a viable airline industry.”

SOURCE: Traffic World

US-China Service on Back Burner at US Airways

US Airways Group Inc. received permission to delay the start of its service between the United States and China for one year. The carrier cites high fuels costs and the need to obtain approvals from the Chinese government in its request to start the service on March 25, 2010. US Airways was awarded the Philadelphia-Beijing daily flight on Dec. 28, 2007.

SOURCE: bizjournals.com

Air Carriers Change Course

By Karen E. Thuermer

Boeing's World Air Cargo Forecast 2006/2007 projected the air cargo industry to grow roughly 6% per year through 2025.

Its new forecast won't be released until November, but Boeing executives remain optimistic: "We continue to see growth despite the difficulties facing the industry," said Tom Crabtree, Boeing Commercial Airplanes regional director of business strategy. He said that optimism is due to the fact that carriers are currently upgrading their fleets with passenger planes that aircraft manufacturers are converting with more fuel-efficient engines and factory-built freighters that accommodate increasingly higher payloads.

What's driving these changes is fuel. The high cost of fuel is affecting the financial health of nearly every air carrier in the global market. To put a little perspective around just how much: According to James May, CEO of the Air Transport Association of America, US airlines are projected to spend nearly $60 billion on fuel in 2008, $18 billion more than in 2007. The increase in fuel is the equivalent of employing 244,000 airline workers or purchasing 261 narrow-body jets.

Northwest, which plans to merge with Delta Air Lines, recently posted a quarterly net loss of $4.1 billion, partly due to higher fuel charges. United Airlines reported a $537 million loss and is cutting more than 1,100 jobs and numerous flights.

Consequently, shippers are being slapped with higher fuel surcharges. In May, British Airways World Cargo increased its fuel surcharge to $1.10 per kilogram, while NWA Cargo increased its fuel surcharges 10 cents to $1.05 per kilogram in certain markets.

In an attempt to help cut costs, American Airlines (AA) implemented a Fuel Smart program that encourages employees to provide ideas that conserve fuel and energy. The carrier says the program saved AA approximately 96 million gallons in 2007. "In 2008, we expect to increase our rate of fuel savings by another 15 million gallons," says David Brooks, AA's Cargo Division president.

Nevertheless, Lufthansa Cargo is experiencing high demand for airfreight, but is becoming more selective about the routes it serves because of the economic slowdown and shifts in trade patterns.

For now, cargo volumes are shifting worldwide based on a slowdown in key airfreight markets. For example, for the first quarter of 2008, Robert W. Baird & Co. projects airfreight to grow only 3% in Asia, 4% in Europe, and -2% in North America. Boeing projections in 2006, however, pegged those markets to grow 8.5, 5.3, and 4.1%, respectively, through 2023.

The International Air Transport Association (IATA) expects that international airfreight volumes through 2011 will continue to be dominated by Asia Pacific. According to IATA, freight within Asia Pacific, between Asia Pacific and North America and between Asia Pacific and Europe will account for 57% of the 36 million tonnes of international air freight tonnes in 2011, up from 55% in 2006. The majority of this growth will be from the outbound leg from Asia Pacific.

What's ahead? Observers expect tighter FAA inspections and carbon emissions standards. There may also be further industry consolidation, but this also may create opportunities for carriers to add additional capacity in certain markets.

SOURCE: Logistics Management

Luggage Being Shipped More Often

There may be less freight going into passenger plane bellies these days, but it seems there is less luggage too — and it's ending up on freighter aircraft.

Thanks to increasing luggage restrictions and higher fees charged by many airlines, a lot of travelers are choosing to ship their luggage instead. Many use parcel carriers such as FedEx, UPS, and the US Postal Service.

But specialty services have cropped up around the trend as well, including Luggage Forward and Luggage Free. Those services offer door-to-door pickup and delivery and send luggage to its destination through freight forwarders.

While FedEx and UPS don't track how much business is generated by shipped luggage, Luggage Forward said it grew 300% last year, while Luggage Free says its shipments have doubled every year since 2004 — up to 40,000 last year.

SOURCE: Traffic World

DOJ Homes In On Traders

By Susan Kohn Ross

International traders have for the most part been insulated from a lot of the issues roiling "big business," but that is changing as criminal, antitrust and other significant issues have come home to roost in international trade.

In a recent example, the Department of Justice (DOJ) in a case involving Chinese textile transshipments announced that defendants agreed to pay more than $2.7 million to settle civil charges against the companies and their principals.

These parties are said to have undervalued and misdescribed goods and also claimed the imported textiles to be made in Russia or South Korea, thereby evading significant quota charges.

According to Justice, these garments were destined for such well-known companies as Wal-Mart Stores, J.C. Penny, Family Dollar Stores, Kohl's, and Marshalls.

The matter came to light via a whistleblower.

Then there is the major DOJ-led antitrust probe. The case started out as an investigation of the energy industry in Africa but quickly spread to the airline industry. [See story on page 59.]

This investigation is far from over. Information received from the airlines has led Justice to open a probe into the actions and roles of freight forwarders. It is understood there are three separate areas of services under investigation: Europe-US, Asia-US, and Europe-Asia.

It appears that DOJ in the US is closely cooperating with its foreign counterparts and seeks recovery from the forwarders based in the US, not as the result of their US-based activities but rather simply because they carried out the directions of their foreign affiliates and, for example, collected freight charges on behalf of those foreign affiliates.

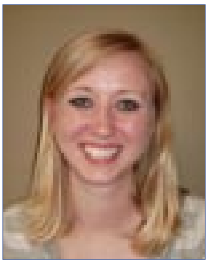
SOURCE: The Journal of Commerce

INDUSTRY NEWS

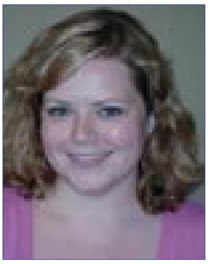
The people and events shaping HHGFAA member companies

APPOINTMENTS

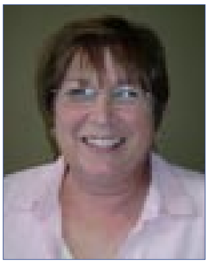
Baker



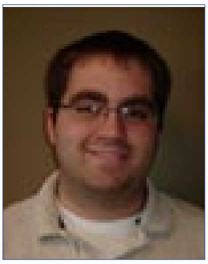
Scholz



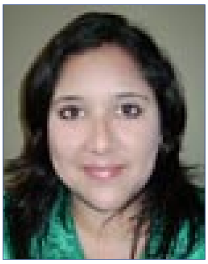
Culley



Mosher



Mitchell



Sands

Sims and Brooks

Reindeer Auto Relocation has hired eight new employees and promoted two staffers. Almost a year after moving into its new 24,000-square-foot headquarters in Zionsville, Ind., Reindeer has grown from 35 employees to 49 full and part-time employees.

The new hires include **Melissa Baker**, who will serve as account services manager. She was formerly with Xact Data Discovery, where she was responsible for managing client relationships and new business opportunities. **Jessica Scholz** and **Sarah Culley** were hired as quality assurance representatives. Scholz had been a national account executive for Profile-Systems and Culley was a former associate financial representative for Northwestern Mutual. **Ryan Hill** joins Reindeer as an operations specialist. He was previously an assistant manager and logistics manager at Office Max. **Catherine Mosher** has been hired as load planner. She previously handled import shipments for Seemac, Inc. **Kameron Mitchell**, who has been employed as an operations support specialist, was formerly an assistant store manger at Marsh Supermarkets. **Hadley Sands** has been hired as administrative support and Arthur Carter has been hired as a summer intern.

In addition, **Jennifer Nevill** has been promoted to full-time quality assurance representative and **Kyle Brubaker** has been promoted to full-time operations specialist.

❖

Patty Brooks recently joined **James Global Logistics, Inc.** as the general manager of the company's Baltimore office and warehouses.

She previously worked at Advance Relocation Systems, where she handled all GSA and national accounts, quoting/bidding, filing rates, maintaining existing accounts and securing new accounts.

A native of Baltimore, Brooks worked in property management, the accounting and customer service fields, and was a long-term federal employee prior to joining the moving and storage industry in 2001.

Shown with Brooks is **Gene Sims**, who previously managed both the Baltimore and Houston operations. Sims, the executive vice president of James Global Logistics, Inc., recently assumed additional responsibilities as the chief operations officer. His primary office is currently in Baltimore, but he will relocate to the Florida headquarters office in the near future.

EXPANSIONS

Crown Worldwide Group has welcomed **Crown Munich** to its global network.

In addition to its existing office in Frankfurt, Crown Worldwide has established a second in the southern city, the capital of the federal state of Bavaria and home of Oktoberfest. Crown Munich will offer relocation and records management services for the region, which has already proven successful for the company.

The new branch is conveniently located in Munich-Riemerling, a modern technology park where many global players are located (especially from the technology, mechanics, and aeronautics industries). The site is easily accessible from the motor highway and is just 30 minutes from the city's center. In the coming months, Crown Munich will begin employment of additional relocation professionals.

A New Player in Ireland

There's a brand new name is the Irish international moving industry — and it comes from one of the country's oldest moving dynasties.

Move Plus Ireland has been formed by **Robert Gilbert** and **Rhona Doris**, whose father, Niall, has long been associated with Beverly Smyth and, more recently, the Oman Group.

The new company in Dublin offers international moving and destination services, and now has now opened up in Cork. This is expected to be the first of several moves to provide a complete Irish network.

"We identified a niche in the Irish market for a hands-on boutique type of service which delivers the full range of destination services, including moving," said Gilbert. "Rhona comes a family that has been dedicated to international moving and we have both worked in the field of relocation, so we are confident that we can meet the exacting demands not just of trade colleagues, but of the global corporate market for whom Ireland is still a vital market..

"Accreditation is important in today's market," Gilbert added, "so obviously that will be our next target once we have our two brand new offices in Dublin and Cork properly settled in and we have completed our recruitment plans. Our next key plan is to be present at the HHGFAA meeting, the most important in the mover's calendar, to meet our many friends and colleagues with whom we have been working for so many years."

Managing the Cork office is **Mark Exshaw**, whose family is also one of the best known in Ireland. For decades, his father, Gordon, was managing director of Nat Ross and put it firmly on the international map. Mark has been in the industry for 30 years and managed the Cork office of Nat Ross for 10 years. He now heads up the new Move Plus team in Cork with his brother, Glyn, and other removal staff who have moved over from their previous company.

AGENCY NEWS

John C. Murphy Moving & Storage, headquartered in Brewster, N.Y., with a branch in New Milford, Conn., is now a full-service agent for Bekins Van Lines.

Music to Their Ears: Harsch Transports Instruments for Meilen Symphony Orchestra

By Ursula Eichenberger

In principle, it should have been the smoothest and best-planned trip in the world: Visas had already been requested, flights reserved, musical scores practiced to perfection and the transport logistics for our musical instruments were in safe hands. For the first time ever, China was inviting a Swiss amateur orchestra to tour Eastern China — the Symphony Orchestra of Meilen!

All the plans for the voyage from Beijing to Shanghai — passing through several villages in the Province of Canton (Guangdong) en route — were in the hands of the Chinese organizers, while the organization of the transportation of our instruments from Zurich to Beijing — and their subsequent return to Switzerland — was the orchestra's responsibility.

Several weeks before our 27 December 2007 departure, our travel agency reconfirmed to us that all the small musical instruments — except the violas and the altos — should be checked in as hand baggage on our Air France flight. For the larger wind and stringed instruments such as the tubas and the cellos, they promised us an anti-shock, temperature-controlled container situated in a suitable section of the hold of the plane.

I earlier said, "in principle" because five weeks before our departure, catastrophic news destroyed our plans. Air France, in preparation for the end of year festivities, had changed its regulations concerning hand baggage. Now, except for the piccolos, flutes, clarinets, and oboes; no musical instrument was to be allowed in the cabin area of the plane. And if that wasn't enough, the type of plane initially planned for the transit flight from Zurich to Paris had also been changed

The show really did go on, thanks to Harsch Transports.

to a plane that was decidedly smaller. Consequently, we were informed, the holds of these planes were — not surprisingly — much too small for all the instruments we needed to transport. In addition to seven cellos, one tuba, two trombones and one bass tuba, 22 violins, seven altos, four horns, and two trumpets needed to be stowed.

Neither Air France nor our travel agent was able to help. Finally they advised us to check in our instruments (well wrapped), so they could be transported as ordinary baggage! All the musicians were struck with terror at the mere thought of seeing their instruments shaken, stacked, and catapulted along the carrier belt to ultimately come to rest in a hold where they would lie for several hours in temperatures well below 0°C.

It was in this state of distress that we contacted our professional colleagues at the Tonhalle Orchestra of Zurich and the Orchestra of the Zurich Opera House. They were both supportive but could do nothing. If our traveling dates had not coincided with theirs they would have been happy to lend us their own transport cases, but even if they could, the vexing question of lack of space in the hold had still to be resolved. We telephoned everywhere and even contemplated the most ridiculous of solutions — to rent the larger instruments in China!

In the course of numerous and intense discussions on the problems we were experiencing, someone mentioned the name of **Harsch Transports**. After a quick glance at their Internet site and a call to Mr. P. Storrer, a new perspective opened up to us. From the first moment of our conversation Mr. Storrer spoke of our instruments with such fervor that we had the impression that they were as precious to him as his own children. Person-

The musicians were able to use their own familiary instruments instead of having to rent them in China.

ally overseeing the project, he took immediate action, despite the deadlines imposed and the contingencies necessary due to the impending end-of-year celebrations. Freight transport was organized, a guarantee of delivery by the dates agreed was given to us, and all the required procedures for Customs control for the exportation and repatriation of our instruments were sorted out.

It's difficult to even dare to imagine what would have happened without the help of Mr. Storrer and Harsch Transports. Maybe we would have found ourselves doing a tour of Switzerland instead of China; or perhaps we would have arrived in China, but without our instruments; or worse still, perhaps our instruments would have arrived in China damaged or even broken!

But everything went superbly. He'd made no promise that he couldn't keep. Our instruments were packed and transported with the greatest imaginable care and arrived well on time in China ... and the same was true for their return to Switzerland. No marks or scratches ... nothing. The fact that our tour was a grand success is due in part to the good care taken by Harsch Transports and the splendid commitment of Mr. Storrer and his team — always obliging, pleasant, straightforward, and ultra-professional from start to finish. They deserve a very big "Thank you!" And here's to the next time we decide to say goodbye to Switzerland and lift the veil to travel to the other side of the world!

Ursula Eichenberger is a cellist with the Symphony Orchestra of Meilen .

Move One Launches Online Video Destination Guides

As a part of its ongoing efforts to enhance the quality and effectiveness of its destination guides, **Move One Relocations** has announced a series of Web-based guides, each featuring a library of destination-specific videos.

Each of the online Web-based destination guides will feature a series of videos designed to smooth the expat's transition to a new environment. The initial group of guides will cover expat life in the Central/Eastern European cities of Budapest, Bucharest, Prague, Warsaw, Bratislava, and Moscow; guides for company locations in Asia and the Middle East will follow soon after. The informative videos on each site will cover topics including healthcare, international schools, housing, shopping and more. Even smaller details such as how to validate a metro ticket and pay for parking will be addressed. Erika Clements, director of relocations at Move One, said, "Through our video guides the international assignee and family can have access to instant advice and useful tips before they even visit their destination. The footage will help to set expectations and provide unequaled insight into the destination and the move experience ahead."

Arpin Int'l Moves to Offsest Carbon Emissions

Arpin International Group has partnered with TerraPass, a consumer retailer and marketer of greenhouse gas reduction offsets, to sponsor clean energy and carbon reduction projects that result in a verified, measurable reduction in carbon emissions.

"We are currently working with the Environmental Protection Agency's SmartWay program and other organizations to substantially reduce truck emissions," said Peter Arpin, partner of Arpin Group. "Our newest partnership with TerraPass will assist us in offsetting the rest of the emissions we produce from office utilities, domestic and overseas employee travel and commuting."

Arpin International Group has reduced up to 1,000 metric tons of carbon emissions in the current year.

Carbon dioxide emissions, the principal cause of global warming, are an inevitable consequence of energy use. Every time an individual or organization uses electricity for lighting, fuel for transport, etc., additional carbon emissions are released into the atmosphere.

Arpin Group and its subsidiary and affiliated companies are in the process of adopting environmentally friendly technologies and practices in an effort to reduce the firm's carbon footprint. The program involves a wide variety of initiatives and the results are visible in the company's newly renovated offices.

Arpin Group Implements 'Going Green' Loan Program for Employees

Rhode Island-based **Arpin Group, Inc**. has implemented a new loan program to assist employees who wish to adopt "green" technologies as part of their lifestyle.

Arpin Group and its subsidiary and affiliated companies are adopting environmentally friendly technologies and practices in an effort to reduce the firm's carbon footprint. The program involves a wide variety of initiatives and the results are visible in the company's newly renovated offices.

"As part of our comprehensive program, we encourage all employees to adopt 'green' technologies as part of their lifestyle particularly when constructing or renovating their homes or replacing equipment that consumes energy," said David Arpin, president and CEO of Arpin Group, Inc.

To assist employees, the board of directors approved a program under which Arpin Group will finance a portion of costs related to "going green." Home improvements covered under the loan program include insulation, the purchase of energy star appliances, fluorescent lighting, solar panels, tree planting, irrigation systems, plumbing equipment which utilizes less water and other measures. There is also a provision in the loan that allows for the purchase of a hybrid vehicle to replace one that is less fuel-efficient.

The loan program is available to all employees who have been continuously employed by Arpin for at least the past five years. Arpin will finance up to half of the employee's cost of qualified "green" projects to a maximum of $10,000.

Web site: **www.arpin.com**.

Relocating Staff to Emerging and Rapidly Growing Markets

Crown Relocations conducted a global survey of its corporate clients in March, to gain insight into relocating staff to some emerging and rapidly growing markets: Brazil, China, India, Russia, the Middle East and South Africa.

One hundred, sixty-two Crown clients responded, based on their own perceptions and feedback from their relocating employees. The results of this survey have been posted on Crown Relocations' Web site.

David Muir, chief executive officer, Crown EMEA, notes in the survey's Executive Summary, "There are some consistent messages coming through, strongly, from this survey. Intercultural preparation and coaching are still optional in many corporations, but clearly for India and China in particular — and to a certain extent the Middle East, Brazil and Russia — when it comes to effectiveness in the workplace, these are the key components of a successful relocation. The same applies to settling families in countries of the Middle East.

"Concerns about healthcare and security for places like India, South Africa and Brazil, must be put into context well before an assignment is accepted, as myths can often distort the reality.

"We are most grateful to the survey respondents for their input, and as a company with multibranch operations in all indicated markets, we are happy to refine our programs to meet the priorities head on."

The complete results of this survey, for each individual market, have been posted on Crown's Web site, at **crownrelo.com**.

HHGFAA Represented at NCMA Gathering

HHGFAA President Terry Head recently represented the Association and its membership at the annual meeting of the **National Council of Moving Associations** (NCMA) held in Las Vegas, Nev., June 10–12.

NCMA is primarily made up of the various USA State Moving Associations, of which there were 18 participating this year, along with representatives from the Canadian Association of Movers, the American Moving and Storage Association, and the Claims Prevention and Procedures Council, as well as the Household Goods Forwarders Association of America.

Sponsors who help underwrite the cost of the meeting included AE Worldwide, Gateways International, Milburn Printing, and Vanliner Insurance.

The participants discussed and shared thoughts on a number of issues facing the moving and storage industry, including consumer education, rogue operators posing as movers, illegal and misleading advertising, the impact of the growing trend in containerized storage and transport, and an update on antitrust issues from the NCMA Counsel, Jim McMahon.

HHGFAA's participation in NCMA over the past several years has been instrumental in extending the Association's influence in the domestic moving arena and positions HHGFAA as a source of information on international moving and forwarding for a wider spectrum of the industry and US-based consumers and accounts looking to move personnel abroad.

Private Sector LETs Support Relief Efforts for Myanmar Victims

The management and distribution of food and other critical relief supplies into Myanmar is being facilitated with support and expertise from some of the world's leading logistics and transport companies, thanks to the first-ever deployment of a unique United Nations (UN) partnership initiative. Agility, TNT, and UPS comprise the joint Logistics Emergency Teams (LETs) unit that has been supporting the WFP-led "Global Logistics Cluster" supply chain efforts both on the ground in Yangon, and in the critical staging area at Bangkok's Don Muang airport.

"The augmentation of the logistics cluster by the LETs ensured the widest possible benefit to the activities of the humanitarian community," said Matthew Hollingworth, logistics officer for the World Food Programme (WFP) and head of the Global Logistics Cluster Support Cell.

In the immediate aftermath of Cyclone Nargis, the deadliest natural disaster in the recorded history of Myanmar, the local airstrips, roads, and other infrastructure were devastated. Therefore, the international flow of food and other donated relief supplies was directed to nearby Bangkok, where LETs program representatives first convened in early May with the WFP and dozens of relief organizations assembled there.

LETs experts worked closely with humanitarian logisticians, providing consultation and basic information on transportation, warehousing, and customs clearance support for the greater humanitarian community. The LETs companies also were able to leverage their local resources to expedite operations and increase efficiencies. Utilizing corporate local knowledge and relationships for the UN's benefit is central to the LETs model.

"In the face of such devastation, regional and local business leaders are very interested in supporting the humanitarian operation, but there's often no mechanism to locate and engage them quickly," said Mariam Al Foudery, vice president — corporate social responsibility for Agility. "Because each of the LETs companies has strong local background and networks, we are able to provide the bridge to connect humanitarian and commercial networks."

In addition to assisting with relief logistics strategy, at the behest of WFP, staff from Agility, TNT and UPS jointly organized and have been managing a 20,000-square-meter warehouse in Bangkok that is a staging area for receiving food and non-food items that need to be prepared for shipment. The companies provided full warehouse operations support services, customs clearance support and some flight operations planning support, helping to increase speed and efficiency of the humanitarian efforts.

Once the airport was sufficiently restored in Yangon, LETs staff were deployed there to work with local organizations to expand warehousing operations and capacity to receive and distribute the stockpiled supplies coming in from Bangkok. In the first four days, the LETs group managed hundreds of metric tons of cargo and dispatched over 40 trucks. On average, the LETs group receives and discharges 200 metric tons of cargo per day using LETs managed transportation assets and warehouses.

In Myanmar, representatives from the LETs companies meet daily with representatives of the Global Logistics Cluster to plan incoming and outgoing freight management from the primary UN warehouse. LETs companies developed inventory management processes and forms that are compatible with the existing UN systems.

The LETs team have helped build local logistics capacity. This work also includes conducting safety training with warehouse staff in Myanmar, instituting security access at the UN warehouse compound, and helping to procure equipment locally at a fair price. For example, when the UN recently needed to rent a forklift, LETs companies reached out to local agents and obtained same-day quotes to expedite the procurement. Currently, LETs is transitioning the UN's Myanmar warehouse to be fully supported by non-governmental organizations (NGOs), without ongoing reliance on corporate managers or staff.

"For UPS and for our LETs partners, a critical part of this initiative is to develop local expertise ... so that the local workforce is prepared to take over operations when we leave," said Lisa Hamilton, president of The UPS Foundation.

Another LETs project underway in Myanmar involves supporting the UN High Commissioner for Refugees (UNHCR), which assists displaced victims in their return or resettlement. LETs staff are working with the UNCHCR to plan labor, space and management practices for a special project to deliver supply kits to over 40,000 displaced families in the field. The LETs team has recommended a just-in-time delivery model that reduces need for storage space without restricting the flow of kits to those in need.

Staff provided by the LETs companies serve on a purely pro bono basis and are engaged during the early emergency relief phase of relief efforts following large-scale natural disasters. The partnership concept was first demonstrated on the ground in August 2007 in Indonesia during an operational exercise organized and hosted by WFP. However, response to the Myanmar cyclone is the first large-scale deployment of the teams since the initiative was launched at Davos in January 2008.

O'Neil Software Upgrades RS-SQL

Record center owners and operators who don't use technology for marketing their business risk losing customers to other facilities. O'Neil Software has once again upgraded its technology. These enhancements are designed to keep record centers efficiently managed and create new revenue streams, while lightening the load on staff.

Added imaging on-demand functionality provides a way for record centers to create images of documents requested by customers. Documents can be retrieved, scanned and made available for viewing via O'Neil's RSWeb.NET®. Images can also be e-mailed to the client or users can view, print or download the image for adding to their own image archive. Users can now add and edit documents, as well as request images be created from documents, all from their desktop; new activity sets and actions allow fully automated billing.

- Cubic foot billing for storage and services using metric or imperial measurements. It also allows the flexibility to mix cubic volume charges with standard per object charges.
- Priority service applied to each action of a work order.
- Model users to simplify user management. Allows creation of a model user that other users can then reference.
- Enhanced Global Edit close date for work orders.
- Two new predefined queries to help with invoice reprintingadded to the Invoice Reprint grid in Administration.
- Translate on Demand more accessible; the F12 key is always enabled.

RSWeb.NET interface highlights

- A new menu option in the Results menu in all RSWeb.NET grids: Invert Selection allowing users, after selecting several items in a grid, to make a change to all the other unselected items.
- Multiple work order addresses conveniently accessible via an address grid displayed with all available addresses for the account.
- Changes to the User Add/Edit dialog in RSWeb.NET allow clients to control even more aspects of their users' access to your RSWeb.NET.

For more information visit **www.oneilsoft.com**.

MILESTONES

Unipak S.A., headquartered in Santiago, Chile, is marking its 15th anniversary this year.

Dave Beere: 90 Years of Sailing the Seas

On May 18, **David Beere** was honored at a 90th birthday party hosted by his family and colleagues in Long Beach, Calif. The evening before, the Propeller Club celebrated the occasion with a dinner dance attended by several HHGFAA Active members.

IN MEMORIAM

Frank Espinola

Frank Espinola, formerly with Central Forwarding, Killeen, Texas, passed away on June 15.

Mr. Espinola had a long and involved history in the moving and storage industry. Many knew him from the Military-Industry Symposiums and particularly his involvement some 30 years ago in working with MTMC as an industry representative helping to write the NTS and DPM contracts that are still being used today. A member of HHGFAA, the American Movers Conference, and the National Moving and Storage Association (now AMSA), “Frank never met a stranger and could make you laugh, regardless of the circumstances,” recalled Matthew M. Smith, Jr., president of M. M. Smith Storage Warehouse, Inc., who notified HHGFAA of Mr. Espinola’s passing.

Born in 1927 in Brackettville, Texas, Mr. Espinola spent his early years in Illinois before his family moved back to Brackettville when he was 14. Soon after he graduated from high school, he was drafted into the Army and served in the Central Intelligence Corps. After completing his tour of duty, Mr. Espinola attended Baylor University, where he earned a degree in philosophy.

Mr. Espinola was employed by Central Transportation for 50 years before retiring in 1998 as executive vice president. He served as president of Centex Movers Association and committees’ chairman of the Southwest Moving Association.

Jan Moore, president of BINL, Inc., in Long Beach, Calif., remarked that Mr. Espinola was admired by countless friends and colleagues for his kindness and warmth. “Frank sat in a special corner of my heart,” she recalled. “I remember the very first M/I that I attended back in 1991. I was so uncomfortable walking in the door, since I didn’t know anyone at all. And then, there was Frank standing beside me — asking me who I was, where I was from. Next thing I knew, he was walking me around the room, making sure that everyone there met me as if I were a special invited guest. He sat with me and made me feel so very welcome. And the next M/I that I went to he rushed up as if he had been waiting specifically for me. He made me feel that way every time I saw him.

“And the wonderful thing about the whole situation was that he did that with everyone. It wasn’t me and the fact that I was one of few women in the room (although I’m sure that didn’t hurt) — it was Frank and the way he was.

“It’s always so sad to lose people that have touched your lives but I’m so happy to know that I had the chance to know someone like Frank.”

Mr. Espinola was also well known for his service to his church and to the City of Killeen, where he was appointed to several commissions and boards, as well as numerous committees of the Killeen Chamber of Commerce. A devoted husband and father, Mr. Espinola was a Boy Scout cub master for three years, as well as the scouts’ district commissioner for three years; in addition, he spent two years coaching Little League Baseball. The Boys and Girls Club of Killeen also benefited from Mr. Espinola’s generosity. Free of charge, he stored and delivered popcorn, cookies and other supplies. He furnished trucks and drivers for various school and civic activities.

Mr. Espinola was engaged in several activities to help children in Killeen. As a member of the Lions Club, he sponsored disabled children so they could attend the Texas Lions Camp in Kerrville, Texas. Over the years, he took on various responsibilities for the local school district, including chaperoning band trips, supporting a part-time school work program, and holding a summer job program for high school boys.

Mr. Espinola is survived by his wife, Jean; three sons; two brothers and a sister; and nine grandchildren and great-grandchildren. Expressions of sympathy may be sent to Mrs. Frank Espinola, 3203 Pebble Dr., Killeen, TX 76542-2680.

IN MEMORIAM

Kenneth N. 'Ken' Garrison, Jr.

Kenneth N. Garrison, Jr., founder and CEO of Tri Star Freight System, Inc. in Houston, Texas, passed away on July 4 following a seven-year battle with cancer.

Born on New Year's Day in 1933 in Flushing, N.Y., Mr. Garrison was a former resident of Maryland and Kingwood, Texas, and had resided in the Liberty area for two decades. He served in the US Army during the Korean War and in 1963 earned his bachelor's degree in transportation from the University of Baltimore. He had served as president of Tri-Star Freight since 1987.

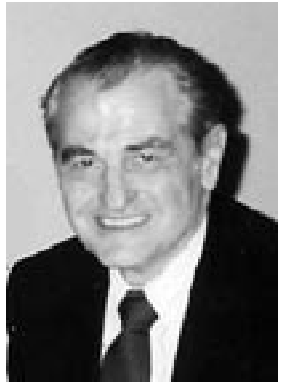
Mr. Garrison was active in his church and several professional and service organizations. He is survived by his wife, Laura K. Gulling Garrison, two sons, a daughter, and several grandchildren.

HHGFAA President Terry R. Head noted, "Ken was a longtime participant in our industry and a strong supporter of HHGFAA and its objectives. Ken will be missed, but not forgotten in our hearts and minds.

"We here at the Association send our deepest sympathies to Ken's wife Laura, as well as the rest of his family, friends, and all the Tri-Star employees."

IN MEMORIAM

Charles (Chuck) A. Fuller



Charles (Chuck) A. Fuller, owner of California-based Oakland Van and Storage, Bay Area Forwarders, and Bay Area Port Services, passed away July 5, due to heart and lung failure following complications from a fall.

Mr. Fuller was born in Hindsdale, Mass., and his family moved to Berkeley in the 1940s. A self-made man, he spent over 40 years owning and operating the three moving and trucking companies. He was a pioneer in the overseas household goods business, having established one of the first port agencies in Oakland; he worked full time until a stroke three years ago.

Mr. Fuller is survived by his wife of 53 years, a daughter, a son, several grandchildren, two brothers and two sisters.

Before his stroke, Mr. Fuller enjoyed travel, going on cruises with family and friends, and motor-homing with the Elks Club. In his final years, he enjoyed dining out, the theater, movies, and watching baseball.

Mr. Fuller was a remarkable and generous man to his family and friends as well as his employees, who he considered his family as well.

Memorial contributions may be made to Aphasia Center of California, 3996 Lyman Rd, Oakland, CA 94602.

Randall Groger
AirLand Forwarders, Inc.
HHGFAA Chairman

On behalf of the Household Goods Forwarders Association of America, Inc., I want to extend a warm welcome to those who are new to our organization.

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Australian Transitions, Australia

HHGFAA Annual Directory Notice

Move Well of Jakarta, Indonesia was inadvertently left out of the 2008–2009 HHGFAA Membership Directory. Move Well is a HHGFAA member in good standing and had paid its annual membership dues on time.
Please find the contact information for Move Well below:

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Fax: (62) 21 5365 1615
E-Mail: marketing@movewell.co.id
Website: www.movewell.co.id <http://www.movewell.co.id/>
P.O.C: Nigel Ryder

METAL SECURITY SEALS FOR MILITARY LIFTVANS

Members		Non-Members	
Under 10,000	.08 each + shipping	Under 10,000	.12 each + shipping
Over 10,000	.07 each + shipping	Over 10,000	.10 each + shipping

• SEALS MUST BE ORDERED IN SETS OF 400 •

All orders should be faxed to Bel Carrington at (703) 317-9960

Price List for Selected HHGFAA Publications and Miscellaneous Items

TITLE	CONUS MEMBERS	OVERSEAS MEMBERS
2008–2009 HHGFAA Membership Directory	75.00	95.00
Additional Copies of **The Portal** (1-year subscription)	100.00	125.00
Defense Transportation Regulations Part IV (replaces the PPTMR)	120.00	150.00
Rate Solicitation I-19 or I-20	120.00	150.00
Active Members Mailing Labels	20.00	25.00
U.S. Associate Members Mailing Labels	25.00	30.00
Overseas Associate Members Mailing Labels	45.00	55.00
SDDC Personal Property Approved International Carrier Listing	10.00	15.00

ORDER FORM

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Company ______________________________

Mailing Address ______________________________

____

Phone (   ) ____________________ **Fax (   )** ____________________

Enclosed is my check for $__________ **. Please send the following:**

Item **Cost**

______________________________ **$** __________

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Please charge my ❑ VISA ❑ MasterCard ❑ American Express# ____________________

Name on card: ____________________ **Exp. date** __________

3- or 4-digit verification (security) code on front or back of card __________

Signature ______________________________

All orders must include check/money order payable to HHGFAA or credit card information. Mail with this form to:

HHGFAA • 5904 Richmond Highway, Suite 404 • Alexandria, VA 22303
OR, fax with credit card information to (703) 317-9960

A Status Report on US Trade Agreements

By Jim Wise
PACE, LLP

The United States now has several free trade agreements pending Congressional action. These comprehensive agreements would expand opportunities for American workers, farmers, ranchers, and service providers to Peru, Colombia, Panama, and Korea. Currently, the United States has free trade agreements in effect with 14 countries: Israel, Canada, Mexico, Jordan, Chile, Singapore, Australia, Morocco, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Bahrain. Listed below are summaries of the major trade agreements currently pending before Congress. *[EDITOR'S NOTE: These provisions have been edited due to space limitations. The Web version of **The Portal** will contain the full text submitted.]*

Columbia Free-Trade Agreement

- **Market access for US consumer and industrial products.** Over 80% of US exports of consumer and industrial products to Colombia will become duty-free immediately, with remaining tariffs phased out over 10 years. Key US exports will gain immediate duty-free access to Colombia, which also will join the WTO Information Technology Agreement.
- **New opportunities for US farmers and ranchers.** Many US exports to Colombia will receive immediate duty-free treatment and will benefit from improved market access.
- **Textiles and apparel.** Textiles and apparel meeting the agreement's rule of originwill be duty-free and quota-free immediately.
- **Strong protections for US investors.** The agreement establishes a stable legal framework for US investors operating in Colombia and protects all forms of investment.
- **Expanded access to services markets.** Colombia will accord substantial market access across its entire services regime, and agreed to eliminate measures that require US firms to hire nationals rather than US professionals.
- **Greater protection for intellectual property rights** and enforcement of a broad range of intellectual property rights.
- **The Digital Age.** The United States and Colombia agreed to provisions on e-commerce that commit all parties to non-discriminatory treatment of digital products.
- **Internationally recognized labor rights.** The Agreement includes an enforceable reciprocal obligation for the countries to adopt and maintain internationally recognized labor rights.
- **Cooperation to protect the environment.** The parties commit to effectively enforce their own domestic environmental laws and adopt, maintain and implement laws, regulations, and all other measures to fulfill obligations under covered multilateral environmental agreements (MEAs).
- **Trade capacity building** via creation of a Capacity Building Committee, which will help Colombia enhance its capacity to implement the obligations of the agreement and to benefit more broadly from the opportunities it creates.
- **Fair and open government procurement.** US suppliers are granted non-discriminatory rights to bid on contracts from a broad range of Colombian government ministries, agencies, public enterprises, and regional governments. The agreement requires the use of fair and transparent procurement procedures.
- **An open and competitive telecommunications market.**
- **Increased transparency.** Dispute settlement mechanisms provide for open public hearings, public access to documents, and the opportunity for third parties to submit views. Transparency in customs operations will aid express delivery shipments and will require more open and public processes for customs rulings and administration and procedural certainty and fairness.
- **Dispute settlement.** Core obligations, including labor and environment provisions, are subject to the dispute settlement mechanism of the agreement.

Panama Trade Agreement

- **Open a significant new export market.** America's two-way trade with Panama totaled nearly $3 billion in 2006, with US goods exports to Panama reaching $2.7 billion. The US–Panama Trade Promotion Agreement will further open this growing market and eliminate Panama's duties on more than half of current US agriculture exports immediately.
- **Level the playing field for US businesses, farmers, ranchers, and workers.** The US market is already largely open to imports from Panama. In 2006, for example, roughly 96% of US imports from Panama entered the United States duty-free under the US most-favored nation tariff rates and various preference programs, such as the Caribbean Basin Initiative (CBI). The US–Panama FTA will give US entities similar access to this market. Upon entry into force of the agreement, 88% of US goods exports to Panama will enter duty-free. The agreement will also provide fair and transparent opportunities for American firms to compete in the $5.25 billion Panama Canal expansion project, spur vital reform of Panama's domestic legal and business environment, and strengthen protections for workers and the environment.
- **Strengthen freedom and democracy.** The Agreement will demonstrate strong US support for a country and a people who share US values of economic freedom and democracy.
- **Promote economic development and poverty reduction.** An increasingly open market has given Panamanians strong economic growth (over 8% in 2006), record levels of foreign investment and one of the highest per-capita incomes in Latin America. The Agreement further connects trade with Panama's own economic development and poverty reduction programs.
- **Anchor longstanding ties with a vital regional ally.** Since the handover on Dec. 31, 1999, the Canal has been a vital US security and commercial interest as two-thirds of its 14,000 annual transits are bound to/from US ports.

Peru Trade Agreement

- **New market access for US consumer and industrial products.** Some 80% of US exports to Peru will become duty-free immediately, with remaining tariffs phased out over 10 years.
- **New opportunities for US farmers and ranchers.** Over two-thirds of current US farm exports will become duty-free immediately. Tariffs on most US farm products will be phased out within 5–15 years, with all tariffs eliminated in 17 years.
- **Textiles and apparel.** Textiles and apparel will be duty-free and quota-free immediately if they meet the pact's rule of origin.
- **Strong protections for US investors,** via a secure, predictable legal framework for US investors operating in Peru.
- **Expanded access to services markets.** Peru will accord substantial market access across its entire services regime including financial services. Peru has agreed to eliminate measures that require US firms to hire Peruvian rather than US professionals and measures requiring the purchase of local goods.
- **Greater protection for intellectual property rights.**
- **The Digital Ag**e. Provisions on e-commerce will commit both parties to non-discriminatory treatment of digital products, trademarks, and geographical indications.
- **Internationally recognized labor rights.** The Agreement includes an enforceable reciprocal obligation for the countries to adhere to principles concerning fundamental labor rights.
- **Protecting the environment.** The Agreement commits the parties to effectively enforce their own domestic environmental laws and adopt, maintain, and to fulfill obligations under the seven covered multilateral environmental agreements (MEAs).
- **Trade capacity building.** Among other provisions, the Agreement creates a Trade Capacity Building Committee to help Peru build its capacity to implement the obligations of the pact and to benefit more broadly from the opportunities it creates.
- **Fair and open government procurement.** US suppliers are granted non-discriminatory rights to bid on contract from a broad range of Peruvian government ministries, agencies, public enterprises, and regional governments. The Agreement requires the use of fair and transparent procurement procedures.
- **An open and competitive telecommunications market**.
- **Increased transparency.** Includes dispute settlement mechanisms. Transparency in customs operations will aid express delivery shipments and require more open and public processes for customs rulings and administration to ensure fairness.
- **Dispute settlement.** Core obligations, including labor and environment provisions, are subject to the dispute settlement mechanism of the Agreement.

Korea Trade Agreement

- **New market access for US consumer and industrial products.** Nearly 95% of bilateral trade in consumer and industrial products becomes duty-free within 3–10 years. Korea also will allow trade in remanufactured goods.
- **Expanded markets for US farmers and ranchers**. More than half (or $1.6 billion) of current US farm exports to Korea will become duty-free immediately or benefit from expanded market opportunities with 2- or 5-year tariff phase-outs.
- **Increased access for US autos.** The US-Korea FTA contains an unprecedented package of provisions designed to ensure that US automobiles can compete in Korea on a level playing field, including elimination of Korean tariffs on most vehicles.
- **Textiles and apparel.** Apparel products made in South Korea will qualify for preferential treatment under the Agreement if they use US or Korean fabric and yarn. A special textile safeguard will provide temporary tariff relief under certain circumstances.
- **Promoting competition.** Korea will ensure that anticompetitive practices by private parties and activities by government-established monopolies or state enterprises do not undermine the benefits of the FTA. Antitrust agencies must have the authority to enter into settlement agreements with respondents in administrative and civil actions.
- **Strong protections for US investors.** The FTA establishes a stable legal framework for US investors operating in Korea.
- **Open services markets.** Korea vastly improved upon its WTO commitments in services, providing meaningful market access commitments that extend across virtually all major service sectors.
- **A more open broadcast market.**
- **An open and competitive telecommunications market.**
- **E-commerce.** Korea and the United States agreed to non-discriminatory and duty-free treatment of all digital products and access to the Internet to conduct electronic commerce.
- **Pharmaceutical and medical devices.**
- **Greater protection for intellectual property rights.**
- **Commitments and cooperation to protect the environment.**
- **Internationally recognized labor rights.** The FTA includes an enforceable reciprocal obligation for the countries to adopt and maintain in their laws and practice fundamental labor rights.
- **Open and fair government procurement.** The FTA builds and expands on the two countries' obligations under the plurilateral WTO Agreement on Government Procurement (GPA).
- **Increased transparency.** The FTA outlines strong transparency obligations, including commitments by the respective governments to publish proposed regulations in advance, allow a reasonable opportunity to comment on the proposed regulations, address significant substantive comments received, and publish final regulations in an official journal of national circulation.
- **Strengthened protection against technical barriers to trade.** The agreement goes beyond other Technical Barriers to Trade (TBT) chapters in recent US FTAs by promoting transparency in the way governments develop and apply technical regulations and assessment procedures (e.g., testing and certification).
- **Customs administration and rules of origin.** The FTA addresses customs administration, rules of origin, and origin procedures to ensure that the US and Korean private sector stakeholders maximize the benefits of the FTA, including provisions on transparency and publication, efficient release of goods, advance rulings, importer focused origin procedures, and comprehensive product-specific rules of origin, among others.

Bridging the Gap During Defense Personal Property System Transitions

By Rep. Neil Abercrombie

Greetings to the Household Goods Forwarders Association of America from the Aloha State of Hawai'i. It is my distinct pleasure to address you about concerns with the Military Surface Deployment and Distribution Command's (SDDC) new movement management tool, the Defense Personal Property System (DPS). Matters that affect members of the armed forces, their families and our small businesses are my top priorities. Mahalo Nui Loa for your steadfast support and dedication to the men and women of our Armed Services!

Your March/April 2006 issue of **The Portal** comprehensively addressed the changes to the SDDC's Military Movement administrative procedures so I will simply update you on the support coming from my office. On March 3, after hearing about some of your concerns with the DPS system and its rollout, I contacted Maj. Gen. Kathleen M. Gainey, Commander, SDDC. Specifically, I highlighted the problems for small businesses caused by continuing the "rollout" beyond the first 18 bases. My reasons for concern were clear and representative of user concerns. First, the DoD had numerous connectivity and software compatibility issues, which prevented scheduled and much needed hands-on training by the small business users. Second, application and certification processes were unresponsive and administratively cumbersome for the moving companies. Finally, the first phase of rate filing had to be extended because two of the three methods of rate filing did not work with the DPS software provided. If small businesses move shipments utilizing these substandard software provisions, TSP delivery performance, and most important, our military customers, will be adversely affected.

I strongly urged Maj. Gen. Gainey to "roll out" DPS only for the first 18 bases. I told her that after an adequate number of Permanent Change of Station (PCS) test cases have been tracked to successful completion, I would support fielding and utilization the new DPS software for the remaining DoD installations. An excerpt from her response is below:

> *"Let me assure you, DPS was fully tested prior to rollout. In fact, DPS has been under near continuous testing since February 2007 to ensure we deploy a working system. Additionally, the Joint Program Management Office, Household Goods Systems (JPMO) is currently undertaking a complete retest of the system to ensure the deployment of DPS goes smoothly as we approach the peak moving season.*
>
> *"Prior to DPS rollout, our program office provided training in many forums, including user guides, webinars, hands-on training in concert with industry symposiums, online training, and computer-based training, most of which are available to TSPs [transportation service providers] at any time for recurring or refresher training.*
>
> *"On some early occasions, we did experience a few network access issues, which [sic] prevented us from accomplishing some hands-on training events. However, the JPMO has learned from this experience and now conducts a series of pre-test verification steps prior to the training dates to ensure the users will have useful training experiences."*

Although the perspectives and processes of the SDDC are not completely satisfactory, I did appreciate Maj. Gen. Gainey's responsiveness. I'm confident that as the rollout continues, the difficulties will be worked out expeditiously.

Again, a great many thanks for giving the Armed Service members and small businesses of Hawai'i a stage from which to air their concerns. My staff and I will continue monitoring this process very closely.

Rep. Neil Abercrombie (D) represents the First District in Hawaii.

COMING UP NEXT TIME IN

THE PORTAL

The Annual Meeting issue of **The Portal** will focus on HHGFAA members located in our host state of Hawaii. We invite Hawaii members to submit company profiles that include the following information:

- Please tell us a bit about the history of your company (when it was established and other relevant information).
- What services do you offer, including specialized services, if any? What is your general business mix (military, office moves, etc.)?
- What is the size of your company (number of offices, number of employees, etc.)?
- What is it about your company that keeps your customers coming back to you?
- What are the unique challenges you face in conducting business in Hawaii?
- Are there any special jobs you have performed that would be of particular interest to our readers?

All profiles submitted for publication are subject to editing for length, syntax, and style. You may include one or two photographs, but please be sure to clearly identify any people who appear in the photos. Also, you should include your city, and — if you wish to include it at the end of your article — your e-mail address and/or Web site. E-mail your article to

bel.carrington@hhgfaa.org
and
joycedexter47@comcast.net

This is your opportunity to introduce your company to the HHGFAA members who will be attending the Annual Meeting. **The deadline for submissions is September 3**.

IMPORTANT NEW INFORMATION CONCERNING PORTAL ADVERTISING RATES AND DIMENSIONS

Full Page $ 3,187.50
7-1/2" wide x 10" high

1/2 Page $ 1,687.50
- Horizontal format: 7-1/2" wide x 5" high
- Vertical format: 3-3/4" wide x 10" high

1/3 Page $ 1,187.50
- Horizontal format: 7-1/2" wide x 3-1/4" high
- Vertical format: 2-1/2" wide x 10" high
- Box format 4-1/2" wide x 5" high

1/4 Page $ 875.00
- Horizontal format: 4-1/2" wide x 3-3/4" high
- Vertical format: 3-3/4" wide x 5" high

1/6 Page $ 531.25
- Horizontal format: 4-1/2" wide x 2-1/2" high
- Vertical format: 2-1/4" wide x 3" high

1/8 Page $ 437.50
- Horizontal format only: 3-3/4" wide x 2-1/2" high

NOTE: Prices shown are the **total cost** for one year (six issues). **All new ads must be in color** (electronic files must be supplied).

Deadlines to receive new artwork:

September/October Issue .... September 3, 2008
(ANNUAL MEETING ISSUE)
November/December Issue .... November 12, 2008
January/February 2009 Issue .... January 22, 2009
March/April Issue .... March 12, 2009
May/June Issue .... May 21, 2009
July/August Issue .... July 16, 2009

IMPORTANT NOTICE ABOUT ELECTRONIC ADS

The Portal now accepts computer-generated files, graphics, and ads supplied on PC- or Mac-compatible Zip disks or CD-ROMs. **ADS SENT BY E-MAIL MUST BE PDF FILES.**

When providing electronically-generated advertisements, your disk MUST be accompanied by a printout showing what the ad should look like. **HHGFAA will not accept disks that arrive without a hard copy proof.**

In addition, advertisers must provide the following information along with the disk. Please use this checklist to ensure that you send everything that will be needed to accurately place your ad:

❏ Disk with ad (Zip or CD-ROM)
❏ Printout or hard copy proof
❏ Note format: __PC __Mac
❏ Note program used to create the ad
- ___ Quark: specify version ______
- ___ PageMaker: specify version ______
- ___ Corel: specify version ______
- ___ Illustrator: specify version ______
- ___ Other (specify): _________________

PLEASE NOTE: **We do not accept ads created in Publisher.**

hhgfaa
Household Goods Forwarders Association of America, Inc.

For further information about Portal display advertising, contact Belvian Carrington at HHGFAA:
5904 Richmond Highway, Suite 404 • Alexandria, VA 22303
Phone: (703) 317-9950 • Fax: (703) 317-9960 • E-mail: bel.carrington@hhgfaa.org

ADVERTISERS' INDEX

Industry Calendar

September 16–18, 2008
Prudential Forum
Scottsdale, Arizona

September 20–24, 2008
NDTA 62nd Annual Forum and Exposition
Reno, Nevada

September 26–28, 2008
Michigan Movers Association
Fall Leadership Convention
Rothbury, Michigan

October 4–7, 2008
HHGFAA 46th Annual Meeting
Honolulu, Hawaii

October 6–10, 2008
SDDC Pacific Workshop
(Industry Portion: Oct. 8–9)
Honolulu, Hawaii

October 29–31, 2008
ERC Global Workforce Symposium
Washington, DC

February 8–11, 2009
AMSA Education Confeerence and Expo
Dallas, Texas

March 15–18, 2009
LACMA Conference
Trinidad & Tobago

April 26–30, 2009
FIDI Global Alliance
City TBA

October 10–13, 2009
HHGFAA 47th Annual Meeting
Orlando, Florida

September 29–October 2, 2010
HHGFAA 48th Annual Meeting
San Diego, California

September 12–15, 2011
HHGFAA 49th Annual Meeting
Denver, Colorado

EDITOR'S NOTE: Visit **www.hhgfaa.org/calendar.html** for an expanded list of meetings and events of interest to HHGFAA members.

What's New?

Keep your friends and colleagues around the world informed about developments at your company. Send your announcements, releases, news, and photos to

bel.carrington@hhgfaa.org