



## March International Trade Newsletter

Contents: BDG Canadian Air, LTL, and FTL Services  
West Coast Congestion (What to Expect)  
New AES Regulations Proposed  
Ocean Carriers will cease fumigation services  
Air Freight Fuels Surcharges  
C-TPAT Conference

### **BDG Canadian Air, LTL and FTL Services**

BDG offers a full range of air and truck brokerage services to / from Canada.

- LTL
- FTL
- Air
- On-Line Track and Trace
- All Provinces
- Border Brokerage

Call our offices for a quotation or to learn more about our services.

### **West Coast Congestion (What to Expect)**

Last year was a difficult year for most importers. Typical transit times that importers had been accustomed to had increased by 25% to 50% over the previous season. What is the outlook for 2005?

The ports have been working hard over the past year to add labor and improve workflow within the ports. We expect that these efforts will pay off. However there are still a number of issues impacting the industry for the 2005 peak season.

Imports from Asia are exceeding the amount of available acreage at the ports to physically handle the containers. The ports are now considering reducing the amount of free time that importers receive at the ports to push the containers out more quickly.

There is an increasingly severe driver shortage. Drivers are paid for each turn they move from the ports. As the wait times become longer they are able to do fewer turns, drivers are leaving the industry for greener pastures. Many drayage firms are now increasing costs to dray containers from congested ports to pay drivers more to stay on the job.

Our best guess at this point is continued delays at the ports, however we expect that the delays will not be as severe as 2004.

### **New AES Regulations Proposed**

The Census Bureau recently published a notice of propose rulemaking with seeks comments to a comprehensive revision to the regulations relating to "Shipper's Export Declarations". The primary revisions are the following:

- Foreign Trade Statistics will be renamed Foreign Trade Regulations
- Electronic submission of export data will be mandatory. BDG currently submits all export data electronically.
- Freight Forwarders must obtain a Power of Attorney or Letter of Authority to submit export data to the Census Bureau on behalf of the shipper.
- Post Departure filing status will be granted only to qualified shippers. Freight Forwarders cannot qualify shippers for this status.

- Electronic Submission must be received no later than 24 hours prior to departure for ocean shipments and 2 hours prior to departure for air shipments.
- Potential penalties for lat filing have been increased to \$10,000.00 per violation, possible imprisonment for up to 5 years and / or forfeiture of the goods being exported.
- Effective Date Fall 2005

Comments on the proposed rules are being accepted until April 18, 2005.

### **Ocean Carriers will cease fumigation services**

We have recently learned that all major carriers shipping to Australia and New Zealand will no longer fumigate containers at the port of departure beginning April 15, 2005.

The reasons for this decision by the carriers are the following:

- Lack of capacity for these off-dock services due to increased terminal congestion and mounting environmental restrictions impacted by steadily growing export volumes.
- To comply with the regulations currently in place, fumigation must be done within a specific time frame prior to vessel sailing. Ongoing intermodal delays coupled with continued congestion on the West Coast, have made it very difficult, if not impossible, to meet the required time-frame restriction.
- Shifting fumigation services to the ports in Australia and New Zealand is cost prohibitive and would then add delays and congestion to the end of this trade lane.
- Up until now, fumigation has been a value-added service, and not guaranteed service. Carriers, in today's climate of ever increasing operating costs, are unable absorb the rising costs of providing fumigation services.

BDG is advising all clients exporting to Australia/New Zealand or any other country currently requiring fumigated containers to use treated wood or non-wood substitutes for shipping pallets.

### **Air Freight Fuels Surcharges**

Fuel Surcharges are currently averaging .40/kilo to most world destinations. We have seen a .10/kilo increase since the beginning of the year.

## **C-TPAT Conference**

Currently there are 8,200 C-TPAT members. These companies account for 40% of all imports into the USA. BDG has been a C-TPAT member since 2004.

Non-C-TPAT members are 6 times more likely to have their import containers held for inspection.

USA budget for the C-TPAT program has been increased 15% in 2005.

A conference on becoming a C-TPAT member is being held in Costa Mesa, CA at the Westin Hotel April 28 and 29. For details visit [www.worldtrademag.com](http://www.worldtrademag.com)

BDG International has provided International Freight Forwarding, NVOCC, Custom House Broker, and Duty Drawback Specialist services since 1983. BDG offers international transportation worldwide via air or ocean. Our services include complete export/import documentation and customs clearance support to clients throughout the USA.

We invite you to contact our offices with any questions you may have.

BDG International, Inc.

840 Tollgate Rd

Elgin, IL 60123

Phone: 800-327-6392

Fax: 847-760-0005

[www.bdginternational.com](http://www.bdginternational.com)

E-Mail Addresses: [import@bdginternational.com](mailto:import@bdginternational.com) //

[airfreight@bdginternational.com](mailto:airfreight@bdginternational.com) // [ocean@bdginternational.com](mailto:ocean@bdginternational.com)

Information contained within this newsletter is provided as a courtesy to the clients of BDG International. BDG International advises all organizations receiving this newsletter to confirm the accuracy of the information being provided. BDG International does not accept any responsibility for missing, incorrect, or misleading information.