



BDG INTERNATIONAL, INC

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INTERNATIONAL TRADE NEWSLETTER

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Fuel Surcharges

Here we go again. Fuel is on the way up and so are Fuel Surcharges. Most airlines will be at .60/kg by the first week of May. In many cases the Fuel Surcharge is beginning to exceed the freight rate per kilo. Domestic Fuel surcharges are exceeding 20%. We are expecting to see continued increases from the ocean carriers BAF.

Hyundai Fortune Burns March 22, 2006



Updated Australian Wood Packing Requirements

The Australian Quarantine & Inspection Service [AQIS] is phasing in **mandatory treatment** as a requirement for **ALL** imported solid wood packaging materials, regardless of the method of importation, so the new rules will include imports by air as well as those by sea. The phase-in period commenced on 1 January 2006 and extends until 1 May 2006, and in effect 'phase-in' simply means that the Quarantine rules and arrangements in place at the end of last year remain current and will continue to operate until the end of April for air cargo.

The current arrangements include an option for untreated wood packaging to be subject to inspection by AQIS on arrival. If the material was found on inspection to be free of risks [bark, insects or signs of insects etc] it was released by AQIS. The 'inspection on arrival' system has operated for many years and it is this system that has allowed air cargo to be free of many of the controls and rules in place for sea cargo. However, from 1 May, the 'inspection on arrival' option will no longer be available. To avoid AQIS intervention from that date, importers must use [and as required, be able to provide suitable evidence of] an AQIS approved quarantine treatment for **ALL** solid wood packaging materials imported into Australia.

From 1 May, where there is no acceptable evidence available [physical and/or documentary] to demonstrate suitable treatment prior to arrival, solid wood packaging materials will not be released by AQIS. From that date untreated materials **MUST** either be subjected to mandatory treatment after arrival and before release, or be re-exported, or be destroyed, with all related costs payable by the importer. To avoid the costs and delays associated with imports of untreated solid wood packaging materials after the end of April, it is essential that suitable action be taken **NOW** with all suppliers to ensure that all such materials are subjected to an acceptable treatment before shipment in future, especially for materials used with air cargo consignments.

For air cargo packed with ISPM 15 compliant timber packing [and displaying the necessary ISPM 15 treatment symbols], there is currently no formal requirement to present any additional documentation on arrival relating to treatment of the timber packing materials [but see below]. AQIS will continue its break bulk and air cargo surveillance

programs but those programs will be modified to monitor ISPM 15 compliance for air cargo after 1 May. Consequently, whenever solid wood packing materials are necessary for air cargo consignments, we recommend that suppliers be instructed to use only materials that are free of bark and ISPM 15 compliant in future.

Where timber is found as a result of surveillance by AQIS officers that is not ISPM 15 compliant [ie -not suitably marked according to the standard], then the relevant importer or broker will be contacted and asked to produce relevant treatment certification for the timber packing material [eg – fumigation] if available. If timber packing has not been suitably treated offshore, and there is no evidence to verify this, the only options available to importers are to fumigate the shipment before release, or re-export or destroy the materials, and all costs will be payable by the importer.

The documents for all future imports of goods packed in solid wood packaging materials should be accompanied by acceptable evidence that can be presented to AQIS to confirm that those materials have been suitably treated prior to shipment and thereby avoid AQIS intervention. Suitable treatments include heat or fumigation, or the use of materials complying with and marked to the ISPM 15 standard. Suitable evidence includes heat or fumigation treatment certificates, or ISPM 15 treatment certificates. In relation to the latter, we recommend that they be provided by suppliers wherever ISPM 15 treated packing material are used, including air cargo shipments, despite the AQIS position as stated above, so that they are available for presentation to AQIS if and as may be necessary.

AQIS has advised that, at this stage, Packing Declarations will not be required for break bulk or air cargo shipments. However, it is relevant to mention that AQIS is 'working with industry' to consider the development of a documentary system that is likely to be similar to the Packing Declaration system now in place for sea cargo. Consequently therefore, at some stage in the future, it is probable that there will be a requirement introduced by AQIS for some type of declaration to be supplied for air cargo. AQIS has also advised that statements regarding ISPM 15 compliance on annual packing declarations will not be accepted for any cargo, whether shipped by sea or by air.



SERVICE ANNOUNCEMENT

Europe Service Alert

BDG, International would like to announce new Import/Export rates and service into Europe base ports.

Please contact the Ocean Export Team at ocean@bdginternational.com (847-760-0020) or Import Team at import@bdginternational.com (847-760-0040) to learn more about this service.

Also available service via Halifax to Europe Base Ports
Sailings are available via Charleston, Norfolk, Baltimore and New York.



Transit times port to port via Direct Service – Europe and USA Door P/U and Delivery Available

12 days New York to Le Havre
14 days New York to Antwerp

15 days New York to Rotterdam
16 days New York to Bremerhaven
20 days New York to Liverpool

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