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Long Beach to start clean truck fees Feb. 18

The Port of Long Beach said Wednesday it would begin collecting a Clean Trucks Fee beginning Feb. 18 "to accelerate the replacement of thousands of polluting cargo trucks."

That's five days after a Federal Maritime Commission review period of the program is due to end.

To facilitate collections of the fees, the port will initiate an electronic gate access system that will enable the fee collection and improve security at shipping terminals, the port said.

"It is imperative that we begin collecting the fees so we can move forward and achieve our clean-air goals," Executive Director Richard Steinke said in a statement. "The truck financing fee is a critical, long-planned part of our Clean Trucks Program to protect public health and improve air quality and security."

The Clean Trucks Fee is expected to raise about \$1 million a day or about \$1 billion over the next few years at both San Pedro Bay ports to help finance the replacement of many of the 17,000 trucks that are a leading source of air pollution in Southern California.

"With the current credit crisis, it will be impossible for most truckers to replace all their trucks without our financial assistance program," Steinke said. "The Clean Trucks Program continues to serve us well, though the fee collection is essential to fully realize the environmental benefits of the program."

Collection of the fee was scheduled to begin in November, but was delayed twice due to FMC review.

Beginning Oct. 1, the port began banning the most polluting trucks in the region -- vehicles manufactured prior to 1989. On Jan. 1, 2010, the port will ban 1993 and older trucks, and un-retrofitted model year 1994 to 2003 trucks. By January 2012 all vehicles 2006 and older will be banned.

The West Coast Marine Terminal Operator Agreement (WCMTOA) created the not-for-profit company PortCheck to collect the Clean Trucks Fee for the ports of Long Beach and Los Angeles. The money collected will be transferred to the ports to provide financial assistance for the replacement of thousands of trucks during the next three years.

Under the program, the cargo owner is responsible for paying the Clean Trucks Fee. The fee will be payable by credit card or electronic funds transfer, and must be paid before a container can enter or leave the terminals.

In November, the ports filed with the FMC their PortCheck agreement with private terminal operators, who would develop and operate an online and electronic gate access system to collect the ports' \$35 per TEU Clean Trucks Fee.

After the PortCheck agreement was filed with the FMC, the commission ordered an initial 45-day review and then a second 45-day review, which concludes Feb. 13. The FMC has also filed a lawsuit to block portions of the Clean Trucks Program as anticompetitive. U.S. District Court Judge Richard J. Leon said he would not rule on the FMC's request for a preliminary injunction until sometime in 2009.

Cargo owners can visit the [PortCheck page](http://www.pierpass-tmf.org/) or <http://www.pierpass-tmf.org/> for updates. Cargo owners that are already registered in PierPASS offpeak terminal access system will automatically be uploaded into PortCheck, but will first have to accept the terms and conditions of PortCheck before their account will be extended into PortCheck.

Air Freight Cargo Screening

As you may know the US Transportation Security Administration "TSA" has mandated an increase in passenger aircraft cargo screening effective February 1st, 2009. Please be aware that due to an increase in security measures, you shipments may be subject to screening at the individual carton level. This may result in palletized shipments being broken down to individual pieces and transported as such.

All cargo moving via air will be subject to breakdown, screening, loading and unloading as

loose pieces. Therefore it is imperative that your documentation (SLI, HAWB and Commercial Invoice) reflect the piece count at the lowest level (cartons) and each piece must be labeled individually.

A "Carton" is general defined as a single box, piece, or container that houses material. The shipper must declare the number of pieces a shipment contains, Shipper's Load and Count" or SLAC on their transport documents. A shipment or part of a shipment tendered on a skid where it is apparent that there are multiple cartons underneath the shrink-wrap or banding is not considered one piece. The shipper is responsible to ascertain the number of "pieces" a shipment contains by providing the SLAC or quantity of pieces based on the smallest external packaging unit.

i.e. 2 skids with 20 boxes each = SLAC of 40

Each "piece" will be subject to Explosive Trace Detection or Physical screening.

ETD technology requires a swab to be applied directly to the surface of the piece then placed into an analyzer to determine if any explosive elements are present. The swab must touch the piece – not the over wrapping.

You can reduce the number of actual pieces by use of over pack. If 20 boxes were put into an outer box Then you would have a SLAC of 1 Piece and only that one piece would need screening, not all of the boxes inside the over pack.

If you do not want your freight broken down and would like us to move via surface or all-cargo aircraft, please advise a BDG representative scheduling our pick-up and also write "Do Not Break Down" on the SLI. We can discuss routing and transit options available. Please be aware that in some cases these optional routings will increase cost and /or transit time.

We are prepared to support your needs with minimal service interruptions. BDG has been meeting with our Air Carriers to inquire how this mandate will impact BDG and our clients. Overall we are informed that although these new, more stringent air cargo security measures may present some operational challenges, we will continue to received the same service sand commitment from our Air Carriers as we presently have.

On average we expect the cost increases for screening cargo to be \$3.00 piece or \$15.00 depending on the airline or warehouse.

ISF 10+ 2 Service Fee

The industry will implement a service fee for the ISF filing. BDG's goal is to maintain a low fee for the ISF work. A higher fee may be assessed if documentation from the supplier is difficult to obtain or the information is incorrect and needs to be amended after filing.

Service fee: \$40.00 per ISF filing

We recommend that you include in your purchase order agreements that the supplier is held liable for the accuracy of the ISF information, and liable for late fees, government penalties (not to be incurred until 2010), demurrage, detention, re-issuance of export documentation.

Between Jan 26th 2009 and Jan 26th 2010 the U.S. government has provided a grace period and will not enforce the \$5000 fine per ISF filing that is incorrect. After Jan 26th 2010 the U.S. Government will enforce the \$5000 fine per ISF filing that is incorrect.

The ISF filing legally must be completed

24 hours prior to sailing.

We are recommending that the booking from the supplier be made two weeks in advance of the potential sailing with our overseas agent offices in order to ensure that we have all the information for the ISF filing.

A copy of the commercial invoice and packing list will be required with the booking. Via our integrated ISF service we will file the ISF filing number to the ocean line 96 hours prior to laden on board.

We have one year to perfect the process. The U.S. Government wants to see progress and improvements on each shipment.

An ISF filing is only required for LCL and FCL shipments that enter a USA port. Any shipments via Canada do not require an ISF filing.

Currently the U.S. government has provided a one-year grace period allowing carriers to load the cargo without the ISF confirmation number. However, in order for the ocean lines to prepare for the ISF enforcement date of Jan 26 2010 they will begin to issue a No ISF, No load earlier than this date. We do not know when this will be and who will start to implement this rule first.

Once the ocean lines begin to enforce the NO ISF, NO LOAD they will have penalties for late documents, changing bookings, pulling containers out of the stacks of staged cntr and worst, pulling a container off a vessel.

There is a potential that the regulations may be changed due to industry pressure to the U.S. Government. We will continue to research the outcome of any new ruling or exception by Customs.