

Sept 2002 International Trade Newsletter

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Why Should You Insure?

1. BDG offers the best insurance available Clause A "All Risk" warehouse-to-warehouse protection. It is written specifically for your goods and method of shipment, providing coverage for the full exposure, at proper values with adequate limits.
2. Our cargo policy will provide insurance coverage with competitive rates that will reflect your loss experience, not your buyer's loss history, and ... better coverage and rates may result.
3. A loss in transit can result in a financial loss, even though the terms of sale require your buyer to provide cargo insurance. Unless you have been paid in full, or are not required to pay for the product before it arrives at your warehouse, there IS a financial interest and a risk of loss. Here are a couple of examples:

You SELL product to a buyer in the Far East; terms of sale require the buyer to provide cargo insurance. The shipment is lost in transit, or the shipment arrives damaged. The buyer doesn't file a claim with his insurance company and refuses to pay the outstanding balance due. You not only have suffered a loss of money owed, but now have uninsured product sitting on a dock in the Far East.

You purchase product from a vendor in the Far East. Payment to vendor is required at the port of export; the cost of cargo insurance is included in the purchase price. The shipment is lost in transit, or arrived damaged. You are forced to work with the vendor's insurance company, finding it difficult to work through language and cultural differences, often resulting in lengthy delays in payment.

Had you purchased "All-Risk" coverage through BDG, both of these situations could have been avoided.

4. Will claims insured abroad be paid in US dollars, guarding against fluctuating currencies, and facilitating prompt replacement of goods? Our claims are paid in US dollars or the requested currency.

5. If you are depending on the vendor's coverage, will the foreign insurance company be able to arrange for surveys at the site, in the event of a loss or claim? Our underwriters have agents throughout the world for fast service.

Air Freight Fuel Surcharges

We have been receiving notifications from many airlines that Fuel Surcharges are increasing. On Average we are seeing an increase of .05/kg starting in October.

PMA Board Authorizes Negotiating Team to Plan Defensive Actions In Response to ILWU Work Slowdowns at Port of Long Beach

SAN FRANCISCO (September 18, 2002) -- The International Longshore and Warehouse Union has initiated a work slowdown against one of the Pacific Maritime Association's member companies, Stevedoring Services of America. The ILWU's initiation of this slowdown threatens to trigger significant disruptions at West Coast ports.

The ILWU's slowdown is taking place at SSA's terminal at the Port of Long Beach. This action began on Monday, and while the ILWU returned to normal operations for one shift yesterday, the strike actions resumed last night and continued today. By staging this action, the ILWU is bringing work at the SSA terminal to a standstill.

"The PMA has said over and over for months that we would not tolerate work slowdowns by the ILWU," said PMA President and CEO Joseph Miniace. "The Union is playing with fire and appears to be willing to jeopardize America's economic interests by initiating hit and run tactics against members of the PMA."

In a meeting this morning, Miniace provided a comprehensive briefing to the PMA Board of Directors regarding the ILWU's action. In a unanimous vote, the PMA Board gave Miniace the green light to begin planning for a variety of defensive options to counter the ILWU work slowdown.

Miniace left no uncertainty that the ILWU faced a critical choice. "If the Union does not immediately return to work at full productivity levels, PMA will be forced to take defensive action," he said. "At this point, all options are open."

He pointed out that the Union had staged similar actions during both the 1996 and 1999 negotiations, which caused disarray not only on the terminals but across the nation.

"I have warned the Union against staging work actions that wreak havoc on

the docks," he said. "This Union is not just acting out against one company, but against the entire industry and the four million American workers whose livelihoods depend on West Coast ports."

"The PMA Board stands united against this destructive and counterproductive behavior," Miniace said. "We will not tolerate work slowdowns and selective strikes by the ILWU. These actions are designed to build bargaining leverage for the Union, but the only thing they achieve is the possibility of economic disaster. Despite the Union's actions, the PMA Board remains committed to its longstanding objectives of port modernization and a fair arbitration process," he said.

Miniace sent an urgent request to ILWU President James Spinosa to call off its work action and focus on resolving issues at the bargaining table. "We cannot effectively negotiate in this kind of environment," he said. "I urge the union to return to work so that we can hold fruitful negotiations. PMA has demonstrated its willingness to protect jobs, increase compensation and give Union members the modern tools enjoyed by millions of American workers. It's time for the ILWU to come to grips with technology and port modernization. It's the only way the West Coast can stay competitive on the world stage.

Useful Web Sites

www.bxa.doc.gov - U. S. Government Export Web Site

<http://www.lectlaw.com/formb.htm> - Legal Forms

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

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