



## Letter from the President

*Roger Scarborough  
Founder, CEO  
Scarborough International, Ltd.*



Well, 2009 was a year many of us wish had not happened. The recession caused a severe downturn in business for many companies and 2010 is sure to be a challenge as well. Twenty percent of global trade volume is gone from a year ago. Ships are at anchor, airlines are reducing the number of flights, and the planes are smaller on many. Yet we at Scarborough have many things for which to be thankful.

We are thankful to our customers for their support and partnership! We have developed even stronger relationships with many as we worked through the issues they faced this year. We are also thankful to all our strategic partners around the globe who have supported our services, customers, carriers, and shared our commitment to excellence. I would like to personally thank all of you for your commitment to the Scarborough group of companies and hope we can continue to strive for even greater success in 2010.

During these economic times we have to be thankful for the reminder that times are not always easy and full of growth. We use the times to reconsider what we do, how we do it, and analyze our focus and direction. Scarborough has used this time to develop new focus on areas of service, such as our NAFTA Team, our Consulting Division, and our consolidation and distribution

services. We have always provided these services, but feel during this time we can add more value to supply chains and help companies become more efficient. More than ever, our customers around the world and our agents are in need of our expertise and advise to streamline their global trade programs. What a great opportunity to build an efficient supply chain and be ready for good times to return.

If you have a need or project, please do not hesitate to call on our experience and expertise. Happy Holidays and our wishes for all: a healthy, happy, and prosperous New Year. Together we can make 2010 a year to remember!

Comments & questions are encouraged! Please email [kcmc@scarborough-intl.com](mailto:kcmc@scarborough-intl.com)

*Kim Dalzell  
Marketing Director  
Scarborough International, Ltd.*

As we take a look at this past year, it is also a reminder to think of those that are really in need in our own communities and around the world. Roger and Jeannie Scarborough have taught the Scarborough Team about giving back to the community in so many ways. For the majority of their lives, they have taken the time out of their busy schedules to serve their community and those around the world. We, at Scarborough, value their commitment to serving, and in fact have decided to join them!

We kicked off our fall and winter season this year with our service program called "Scarborough Servants." The employees at Scarborough are encouraged to serve their communities in all of our locations. Since the program kick-off, we have already served over 50 hours! We have sorted clothes for the Salvation Army, collected non-perishable items for other organizations, collected money at Phone-a-Thons, served food at Safe Houses, worked at "angel trees," walked for breast cancer foundations, and the list of activities continues on and on! The number of philanthropies we are involved in continues to grow and we are so ready to serve in 2010!

In fact, "Scarborough Servants" has a goal of 1000 hours of service by fall of 2010. If you know of a project that you would like volunteers for, please don't hesitate to let us know. Please email [servants@scarborough-intl.com](mailto:servants@scarborough-intl.com).

Also, tune in for the next newsletter to find out more about the container we are helping to fill with 15,000 shoes and backpacks starting .....now!



# ISF Final Rule ... Just around the Corner

Brandi Miller

Import Supervisor, St. Louis

Casey Marlatt

Sales, Kansas City

With the ISF Interim Final Rule compliance (enforcement) beginning on January 26, 2010, it is important to be as prepared as possible. Here are a few key things to note:

- CBP plans to enforce compliance by issuing warning letters first as well as increasing exams and withholding release before they begin issuing fines.
- Stricter enforcement will be applied to those who are not filing their ISF or have not been filing ISF during the delayed enforcement period.
- Other mitigating factors include a small number of violations compared to total number of ISF entries, as well as, Tier 2 & 3 Customs-Trade Partnership Against Terrorism (C-TPAT) status.

CBP has been providing system-generated ISF progress reports, published technical guidelines as well as a highly detailed program overview presentation and FAQs on the CBP website. You can find a large amount of useful information at [www.cbp.gov](http://www.cbp.gov).

The following include some mitigation guidelines that CBP has provided: Customs may withhold the release or transfer of cargo if no ISF Bond is in place until they have the opportunity to review the documentation and conduct any exams. Some mitigating circumstances are:

- 1.) evidence of progress during the ISF implementation period,
- 2.) having a small number of ISF violations, and
- 3.) being a Tier 2 or 3 C-TPAT member.

Some aggravating circumstances would be a lack of cooperation with CBP and multiple errors on ISF's.

CBP has been tracking the progress of ISF. The initial ISF progress reports focused on the number and types of filings, the filing status and potential timeliness. They are looking at the submission volumes, the rejection error messages, and timeliness. CBP is using the vessel departure date minus 24 hours as a proxy indicator of potential timeliness, which was modeled after the 24 Hour Manifest Rule enforcement for AMS. The Bill of Lading number is absolutely necessary to properly link the ISF to the CBP manifest data. It is a required part of the ISF filing and the ISF importer or their agent must obtain this information and provide it to CBP no later than 24 hours prior to vessel lading.

There are many available resources at [cbp.gov](http://cbp.gov):

- Copy of the Interim Final Rule
- ISF Presentation
- Copy of the Regulatory Assessment
- General Frequently Asked Questions
- Implementation Guidelines
- Mitigation Releases
- Outreach Schedule
- Security\_Filing\_General@cbp.dhs.gov mailbox

You can also contact your Scarbrough representative for more information. We are always working on getting the most up-to-date ISF information to keep you informed and to help you remain compliant with CBP. Please work with us to help get your suppliers ready for ISF if they are not already.

During the month of November, Scarbrough International opened their doors to customers interested in learning more about the upcoming security ruling.

The ISF Seminar was hosted by Roger Scarbrough, CEO, Adam Hill, St. Louis Imports Manager, and Nate Eilers, Milwaukee Branch Manager. The seminar provided a general overview of what to expect with the new Importer Security Filing (10+2), requirements of the ISF, as well as penalties and liquidated damages that may be assessed for violations to the ruling. It also touched on mitigation factors as well as aggravating factors and what to expect with both.

Customers had a chance to ask questions, listen to others, and really get a first hand look at what to expect in 2010. Frequently asked questions were also addressed and advice was given as to what can be done now to get prepared for this implementation.

Jean Jamison from Tri-D Innovations explained she found the seminar quite informative, well presented, comfortable environment, one that encouraged questions and discussion. "I appreciate the time Scarbrough spent to educate us all on these new aspects of documentation. Your efforts not only make things easier and clearer for us, it lets us know we are valued as customers."

Please ask your Scarbrough representative about ISF today, or email Adam Hill at

[ahill@scarbrough-intl.com](mailto:ahill@scarbrough-intl.com)



# Heavy Snowfall & Severe Cold Snap Causes Closures at Airports and Rail Stations across Europe

Adam Dony  
Exports, Chicago Branch  
Scarborough International, Ltd.

Frankfurt airport was closed Sunday, December 20<sup>th</sup> and Monday, December 21<sup>st</sup> in the evening due to severe winter weather and iced-over runways, stranding some 8,000 passengers in Europe's 3rd busiest airport.

Other closures included Berlin's main international airport (Tegel), London Luton airport, Milan's Malpensa airport and Linate airport, which is located just outside of Milan.

A severe backlog of freight prompted airlines to raise temporary embargoes to some of these destinations while the airlines worked to clear the backlog. Airlines elected to use road-feeder services (RFS) which was possible to help ease the cargo backlog and congestion at the airports during the

closures, sending freight by truck rather than by air.

Airline customers were not the only ones affected in this winter blast. Eurostar, the only passenger rail link between Britain and mainland Europe, also cancelled services, affecting nearly 90,000 passengers due to technical



problems from the severe cold snap and wintry weather. 5 trains were stranded in the Channel Tunnel on Friday, December 18 with approximately 2,000 passengers in claustrophobic

conditions. Services remained cancelled through Tuesday while tests were performed to determine the cause of the rail failures.

Wednesday brought a bit more progress with it, as two-thirds of the rail line's services were reinstated. Some criticize Eurostar's handling of the transportation breakdown, including French president, Nicolas Sarkozy, citing Eurostar's poor crisis communications with their customers. Eurostar's chief operating officer told journalists that he expects services to return to 100% by Monday Dec 28<sup>th</sup>.

With this being the start of the winter weather season, we can surely expect more of the same in the coming weeks. Stay warm and safe!

[www.nytimes.com](http://www.nytimes.com)  
<http://news.yahoo.com>

## 2010 FCL BAF Notification

Bess Moyers  
Freight Forwarding Supervisor  
Scarborough International, Ltd.

Please note that carriers have announced an increase in BAF effective January 1, 2010 for imports from all origins in North and Southeast Asia to the United States.

### US WEST COAST

USD \$278 per 20'  
USD \$348 per 40'  
USD \$392 per 40' High Cube  
USD \$440 per 45'

### US EAST COAST & GULF COAST

USD \$551 per 20'  
USD \$689 per 40'  
USD \$775 per 40' High Cube  
USD \$872 per 45'

We appreciate the opportunity to be your global logistics service provider. Please contact your local Sales Representative or in-house Customer Service Representative with any questions.

## 2010 FCL ERC Notification

Carriers have also announced the implementation of an Emergency Revenue Charge (ERC) effective January 15, 2010 for imports from all origins in Asia and the Indian Subcontinent to the United States.

The following charges are meant to help restore freight rates to a more sustainable level:

USD \$320 per 20'  
USD \$400 per 40'  
USD \$450 per 40' High Cube  
USD \$505 per 45'

Scarborough International, Ltd is always working to reduce and mitigate these charges and will keep you informed of any changes to these rates. If you have any questions on these charges, please contact Bess Moyers at [bmoyers@scarbrough-intl.com](mailto:bmoyers@scarbrough-intl.com)

We share memories from 2009 and wish you a blessed and wonderful 2010 year!



Have a Happy & Safe Holiday!

[www.scarbrough-intl.com](http://www.scarbrough-intl.com)