



TransPacific Stabilization Agreement

Drops Capacity Amendment Request

Doug Ferrell
VP of Finance, Corporate

The TransPacific Stabilization Agreement (TSA) has dropped their bid to pursue an amendment that would have allowed the member steamship lines to discuss vessel capacity in the Asia to the United States Trade Lane.

The TSA is a research and discussion forum of major container shipping lines operating from Asia to ports and inland points in the United States. The TSA operates under antitrust immunity granted by the shipping act. Its members cannot jointly set rates but have authority to discuss rate issues and set voluntary guidelines.

The TSA consists of 14 member steamship lines that control 85 percent of the Asia to the United States Trade Lane. The members are APL, China Shipping Container Lines, CMA CGM, Cosco Container lines, Evergreen Line, Hanjin Shipping, Hapag-Lloyd,

Hyundai Merchant Marine, "K" Line, Mediterranean Shipping Co., NYK Line, Orient Overseas Container Line, Yangming Marine Transport and Zim Integrated Shipping Services.

The TSA filed the amendment to expand upon their antitrust immunity on December 18, 2008 and it was to take effect February 1, 2009. After objections from organizations including, the National Industrial Transportation League, Agriculture Transportation Coalition and National Customs Brokers and Forwarders Association of America, the FMC in late January issued a formal request for additional information, triggering another delay of at least 45 more days. With these objections the TSA dropped the amendment.

With the removal of the proposed amendment, United States Importers and Exporters have dodged a huge bullet that potentially could have driven capacity out of the trade lane



and thus driving rates significantly upward. This amendment could have potentially reduced capacity in the trade lane significantly by the 14 steamship line operators acting as one cartel and only allowing enough capacity for all to carriers to profit at a level they saw fit. All importers and exporters that have cargo in the TransPacific Trade Lane need to monitor this situation closely and write to your legislative representative to make sure the TSA does not gain any more antitrust immunity that it already has.

Information gathered from the Journal of Commerce.

Scarborough: A Dynasty

Scarborough International, Ltd. kicked off the 2009 New Year with a celebration dedicated to the employees of Scarborough. Scarborough celebrates its 25th anniversary in 2009. The employees are proud to be part of a dynasty and plan to celebrate throughout the year. A dynasty can be defined as "a powerful group or family that maintains its position for a considerable amount of time." The Scarborough Family continues to maintain its position through the best customer service provided to you.

We truly are the family that cares.



Importer Security Filing Update: Scarbrough will Take Care of You!

Adam Hill

Imports, St. Louis

As we all should be aware, Importer Security Filing (ISF) is now "mandatory." There are 10 pieces of information that importers are required to have on file with US Customs and Border Protection (CBP). The carriers also have to file two additional pieces of information with CBP.

As many of you have seen, Scarbrough has commenced its implementation of ISF Filing for all of our current customers. We are in the process of building vender templates for all of our customers and their suppliers.

These templates will allow Scarbrough and Importers to understand which of the 10 data elements remain stagnant, which change rarely and which data elements change often. With this knowledge there will be no reason to ask for all 10 data elements for each shipment. We will only need to confirm the data elements that are constantly changing (i.e. Harmonized Tariff Schedule numbers (HTS) instead of confirming all 10 elements, and saving you time in the process.

There are many advantages for customers filing their ISF through Scarbrough. You will now be able to track your freight online once ISF

is filed, which is before your freight even leaves origin! Furthermore, if your freight moves within our consol program our partners overseas are providing 3 of the data elements for you! They are providing the House Bill Number, the Loading Location and the Consolidator's information on every shipment. Our prices for ISF Filing are very competitive and we are proud to give you some of the best rates out there!

If you are not currently filing your ISF through Scarbrough, and you are interested in learning more about the program, please email isf-docs@scarbrough-intl.com.

Clean Truck Program is Off and Running

Nick Bland

Exports, St. Louis

The ports of Los Angeles and Long Beach experienced some backlog in the truck traffic entering the harbor on Wednesday, February 18th, 2009. It was estimated that nearly 20% of the trucks attempting to enter the ports were not ready for the implementation of the clean-truck program, which was rolled out at the 8:00 a.m. shift Wednesday.

According to a recent article in the *Journal of Commerce*, many trucks did not arrive with the required radio frequency (RFIC) tags installed. Unprepared drivers were diverted to a special center to assist with registration and were held out of the harbor for several hours. Obviously, several hours at ports can cause missed vessel cutoffs for exports and additional storage for import arrivals.

In addition to the required registration and RFID tags, a fee of \$35 per loaded TEU is being collected on all

inbound and outbound containers. This fee will be collected by the Port prior to receipt or delivery of each container through the terminal gates.

Beneficial cargo owners are being required to claim all containers moving



through the ports of Los Angeles and Long Beach. Container claiming and billing of the associated fees is being handled through the PierPASS web portal. It is important to remember that the fee is per each TEU. Therefore, a 40 foot container (2 TEUs) will be issued with a \$70 fee as opposed to \$35.

This fee applies to all trucks from model year 1989 through 2007, as well as

non-compliant USEPA standard trucks. The fee does not apply to newer model trucks which are USEPA compliant.

As your freight forwarder, Scarbrough International is ensuring all containers moving through the ports of Los Angeles and Long Beach are claimed as soon as possible. We are also ensuring that any associated fees are paid through PierPASS and passed along to the shipper/consignee along with other standard fees.

For more information on the Clean Trucks Program, please visit:

[Clean Air Action Plan](#)

[Port of Long Beach](#)

[Port Check](#)

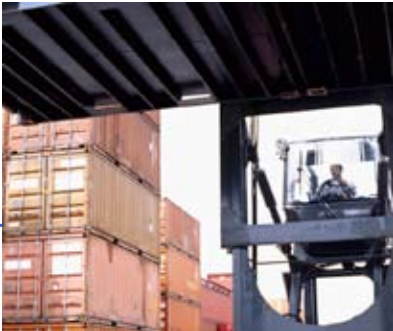
Introducing New LCL Lanes !!!

Kyle Morris
Director of Inbound Cargo

Scarborough is proud to introduce its **NEW** lanes into *Memphis, Nashville, and Indianapolis*, via direct to Midwest Warehouses in Kansas City, St. Louis, and Chicago.

The rates are great! Rates range from **\$85-\$125 CBM/MT** depending on port of origin, plus destination fees.

This is a great way to take advantage of the market and decrease your transit time.



Some benefits include...

Increased transit time: Usually 10-14 days faster than conventional LCL via L.A. consolidators

Better Visibility: Track and trace programs and daily updates

Reduced Risk: Since the cargo isn't stripped in L.A., fewer hands touch the freight resulting in less chance for damage and pilferage.

Single point of Contact: Scarborough Customer Service is "Simply the Best!"

Reduced Expense: Fewer costly exams at port

Price: Competitive prices, which allow you to experience our value-added services, shorter transit time and better predictability.

Origin Ports include:

- Shanghai, China
- Ningbo, China
- Shenzhen, China
- Xiamen, China
- Hong Kong, HK
- Kaohsiung, Taiwan
- Keelung, Taiwan
- Hamburg, Germany
- Bremerhaven, Germany

If you would like a specific quote or rates, please email

LCL@scarbrough-intl.com
or call 816-584-2400

Meet the Team!



Meet some of your Scarborough Representatives!

From left to right

Patrick Colligan, *Chicago Branch Manager*

Robert Whitley, *Imports Team Leader*

Brandi Miller, *Imports Team Leader*

Jason Shank, *Regional Director*

All located in the Chicago Office



"We keep moving forward, opening new doors, and doing things, because we're curious and curiosity keeps leading to new paths."
-Walt Disney

"Effective people are not problem-minded; they're opportunity-minded. They feed opportunities and starve problems."
-The 7 Habits of Highly Effective People

www.scarbrough-intl.com