



## Letter from the President

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

It's Time to Face the Facts



One of my definitions, of the science of Economics, is balancing spending in the environment of unlimited wants and desires with limited resources. The economic and financial downturn of the last two years has brought this reality home to millions of American households and others around the world.

Unfortunately, many governments and citizens have not gotten the message that it applies to them as well. Cities, states, and even many national governments are on the brink of financial collapse. The so-called PIIGS (Portugal, Ireland, Italy, Greece, and Spain) are threatening the stability of the European Union. The United States is at its highest debt since World War II and many states are in trouble, including California, Wisconsin, Ohio and many others. I believe only North Dakota has a budget surplus. My

point is we are living beyond our means! We are spending more than we collect! The U.S. is borrowing 41 cents of every dollar it spends! You do not have to be a genius to figure out we cannot keep up this spending. All you have to do is accept the facts!

The facts are you either raise taxes or reduce spending. You do not have to like the facts, but it is certainly time to face them. To reduce \$13 Trillion in debt (a number most cannot fathom), it will require both spending cuts AND increased taxes. We are all going to be effected. What is amazing to me is the unwillingness of people to accept the facts. Nobody wants their wages cut, their government services reduced, their children's teacher staffing reduced, Medicare reformed and reduced, or their jobs eliminated. That is understandable if you ignore the facts, but we have to do something. We cannot have lawmakers running to another state to keep from voting on cuts, or the House of Representatives stalemated if we are going to fix our debts. We have to face the facts we need to do something.

I am officially going on record as volunteering to do my part. I am saying "raise my taxes"! I am saying cut entitlements to me. Reduce government services until we are debt free. I believe we will see a great rising of the people to help and volunteer if our leaders will just give us a plan we can believe.

Having peace of mind that our government is responsive to this situation is critical. Yes, the solution will hurt, but we must do it anyway. The old days are gone and we must be willing to sacrifice for a new beginning. It is time for all of us to step up and sacrifice. Be involved, but willing to sacrifice for the betterment of our society and our children's future.

Many veterans suffered more than their share in fighting for and dying while defending our country. It is impossible to equally suffer. Some will hurt more than others, but we must do it anyway. Now is the time to demand action from our leaders. Now is the time to face the facts, and the fact is we are going to have to cut back our spending and pay higher taxes. We can do this, but we cannot delay. We must do it now!

I know this is a tough subject and I would like to hear your thoughts. Are you ready to sacrifice? Are you ready to be part of the solution? Please send me your thoughts.

### What do you think?

Your comments and opinions are always welcome and highly encouraged.

Please email:

[kcmc@scarborough-intl.com](mailto:kcmc@scarborough-intl.com)

## CBP and the ACE Program

Adam Hill

Kansas City Branch Manager

The Automated Commercial Environment (ACE) is the wave of the future for U.S. Customs and Border Protection (CBP). ACE is slowly replacing CBP's older system, but many brokers have had reservations about starting to file U.S. Customs entries via ACE.



Customs brokers have to apply through CBP and have a software system that will support ACE. In total, there are only 35 Customs Brokers, across the country, that have been approved to file entries via ACE and Scarbrough International, Ltd. is one of these 35 approved brokers. Scarbrough International, Ltd. is also working with CBP to participate in a trial program of the ACE Document Imaging System (DIS).

ACE is also something that an Importer can enroll in. There is an application process to get an account created. To apply or read more on the ACE program, please click [here](#).

Once the account is set up, the ACE Portal gives importers access to many CBP designed reports. These reports can quickly provide you, the Importer, with both high-level and detailed reports that can show you an array of data to help analyze and create a myriad of reporting options. Some data that is pulled in these reports include but are not limited to the following pieces:

- number of entries,
- top 5 HTS numbers,
- top 5 ports,
- top 5 IRS numbers
- total entered value by entry
- entry summary detail report

Another advantage of ACE is the ability, once approved through the

ACH process, to pay your Customs duties once a month direct to CBP. This program is called Periodic Monthly Statement.

Scarbrough's participation in the ACE program is just another example of how we prove to be leading the way in technology and industry improvements! We would love to coast you through the ACE program with any interest or questions you may have. Scarbrough International, Ltd. also offers consulting and auditing opportunities for your organization, so please don't hesitate to contact us about anything.

If you have any questions or would like to enroll in ACE, ACH or Periodic Statement,

please contact Adam Hill at [ahill@scarbrough-intl.com](mailto:ahill@scarbrough-intl.com)

## GRI on the Horizon

Please be aware that there will be General Rate Increases (GRI) set by the ocean carriers in the month of May. The Imports Department at Scarbrough International, Ltd. is currently negotiating with the carriers to reduce GRI's as much as possible. Once finalized, we will be sure to advise you of the increases.

We appreciate the opportunity to be your global logistics service provider. Please contact your local Sales Representative or Service Representative with any questions or email [pricing@scarbrough-intl.com](mailto:pricing@scarbrough-intl.com)

## Chinese Holiday

Please note that the majority of businesses in China will be closed for Labor Holiday from April 30-May 2. Offices will re-open on May 3rd. If you already have freight booked, this will not affect your original departure date from China.

## Incoterms 2010

There have been several requests for diagrams and definitions of the Incoterms 2010. Please reference the below chart. You can also access this chart on our website at

<http://www.scarbrough-intl.com/scarbroughincoterms2010.pdf>



# IncoTerms 2010 Defined

## Marine Only Terms

### FAS (Free Alongside Ship)

The risk of loss of or damage to the goods passes when the goods are alongside the ship, and the buyer bears all costs from that moment onwards.

### FOB (Free on Board)

The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

### CFR (Cost & Freight) to a named place

The risk of loss of or damage to the goods passes when the goods are on board the vessel.

The buyer bears all costs once the seller has delivered the goods to the named place.

### CIF (Cost, Insurance and Freight) to a named place

The risk of loss of or damage to the goods passes when the goods are on board the vessel, but the seller covers insurance costs for the buyer until freight is delivered to the named place.

The buyer bears all costs once the seller has delivered the goods to the named place.

## All Modes of Transportation

### EXW (Ex Works)

The risk of loss or damage to the goods passes when the goods are recovered from the seller's facility, and the buyer bears all costs from that moment onwards.

### FCA (Free Carrier) to a named place

The risk of loss of or damage to the goods passes when the goods are delivered by the seller to the named place, and the buyer bears all costs from that moment onwards, however, the seller must take care of the export clearance if applicable.

### CIP (Carriage & Insurance Paid) to a named carrier/place

The risk of loss of or damage to the goods passes when the goods are turned over to the named carrier, but the seller covers insurance costs for the buyer until freight is delivered to the named place.

The buyer bears all costs once the seller has delivered the goods to the named place.

### CPT (Carriage Paid To) to a named carrier/place

The risk of loss of or damage to the goods passes when the goods are turned over to the named carrier, but the buyer bears all costs after the carrier has delivered goods to a named place.

### DAP (Delivered at Place) to a named place

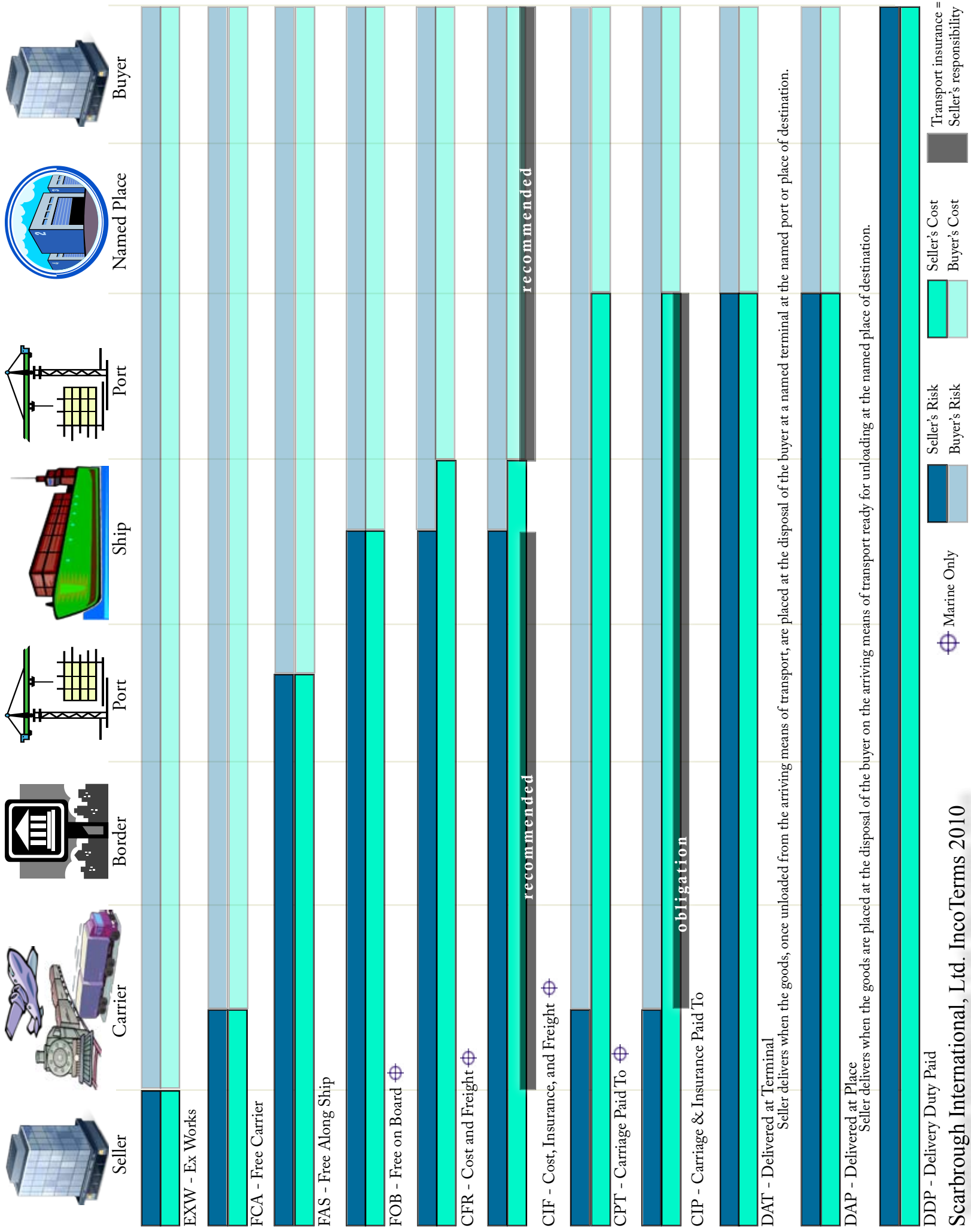
The risk of loss of or damage to the goods passes once the goods are delivered at the named place, and the buyer bears all costs from the named place onwards.

### DAT (Delivered at Terminal) to a named terminal

The risk of loss of or damage to the goods passes once the goods have been made available at said terminal.

### DDP (Delivered Duty Paid)

The risk of loss or damage to the goods passes once the buyer has control of the product, and the seller bears all costs until goods are delivered to the buyer.



Transport insurance = Seller's responsibility

Seller's Risk  
Buyer's Risk

Marine Only

Seller's Cost  
Buyer's Cost