

Take the right Route

News and Views for the clients of Universal Logistics • Spring 2004

101 ways to reduce freight costs and cut transit times

Every Universal Logistics client is different. But they all have one thing in common: a standing mandate to explore every opportunity to reduce freight costs and cut transit times.

"We strive every day to deliver those benefits," says Michael Glionna, President – Universal Logistics, "but it has become increasingly obvious that even more could be done if our clients were better informed about the efficiencies they can achieve within their organizations. It's also obvious that there just isn't time during the day-to-day handling of freight shipments to provide the information our clients need, particularly now when there are so many new challenges and complications in the freight business."

But there is an answer – and it's coming this Fall in the form of an EDucational seminar, called *101 ways to reduce freight costs and cut transit times*. The most senior consultants within Universal Logistics have already been challenged to come up with practical,

easy-to-apply tips, techniques and tools that will provide instant benefits for our clients. At the same time, we are inviting our Clients to offer feedback on what freight issues matter most to them (See enclosed Seminar Feedback form and note that everyone who responds before May 7 will be entered into a draw for a gift basket).

The very best ideas collected from our consultants and Clients will make the final list of 101 ways to reduce freight costs and cut transit times. Every tip will be covered, either directly or indirectly, in the seminar and a hard copy of the list will be given to every participant. Here is just one example:

On your prepaid freight, require that suppliers identify freight costs separately on their commercial invoice. This is to your advantage because knowing the freight costs allows you to shop the market for better rates on future shipments, establish the true cost of the goods, and reduce duty/GST payable to CBSA.

The seminar, tentatively scheduled for this coming September, will be delivered in two parts – a morning session focused on EDucation; and an afternoon "working" session where groups of seminar attendees will be guided through a hands-on exercise by a Universal Logistics employee.

"We believe this will give every participant an opportunity to gain even more from the seminar by hearing about the strategies and best practices of other companies," says Mark Glionna, Vice President – Client Relations. "That's what the afternoon session will be all about."



Ed returns this fall

Participants can choose to attend both sessions or just the morning. A light breakfast will be served before the morning session and lunch will be served prior to the afternoon session.

Applications will be either mailed or emailed to all Clients. It will also be possible to register on-line.

Watch your mail for more seminar details, including the location, date and pricing. For more information, please contact Mark Glionna at 905-882-4880.

Advance notice of imports begins with marine freight

Effective April 19, 2004, carriers and freight forwarders are required to report marine cargo and manifest data electronically to the newly formed Canada Border Services Agency (CBSA) 24 hours prior to vessel loading at the foreign port of origin.

This step, called the *Advance Commercial Information (ACI)* initiative, is being implemented to allow a security assessment

of goods transiting Canadian ports and all freight remaining on board the vessel, excluding freight loaded in the USA. Canada's ACI program mirrors the U.S. Customs "24-Hour Rule" implemented for ocean shipments in December, 2002.

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Industry Roundup

New agency formed to manage border services

In December 2003, the Canada Customs and Revenue Agency (CCRA) created the Canada Border Services Agency (CBSA) to handle the Customs program and build on Canada's Smart Border Initiative.

Phase-In of revised wood packaging regulations

On January 2, 2004 the Canadian Food Inspection Agency (CFIA) began new tougher regulations covering the import of wood packaging from outside North America.

During Part 1 of the phasing-in, the CFIA will issue notices to importers where wood packaging materials are non-compliant. With full implementation, expected in late 2004 – mid 2005, shipments found to be non-compliant will be ordered "removed from Canada". The revised CFIA Plant Policy Directive D98-08, effective January 2, 2004, can be found at <http://www.inspection.gc.ca/english/plaveg/protect/dir/d-98-08e.shtml>

Prior Notice required under FDA's Bio-Terrorism Act

Under the U.S. Food and Drug Administration's (FDA's) Bio-Terrorism Act, the FDA must receive prior notice before food (subject to exclusions) is imported or offered for sale into the USA.

Prior notice data, including detailed information concerning the goods, shipper, importer and receiver of the product into the USA, must be submitted to the FDA no earlier than five days before a shipment arrives (excluding international mail) and no later than the following time frames:
By land via road – No less than 2 hours before arriving at the port of arrival;
By land via rail – No less than 4 hours before arriving at the port of arrival;
By air – No less than 4 hours before arriving at the port of arrival;
By water – No less than 8 hours before arrival at the port of arrival;
By international mail – Before the food is sent.

Facilities that manufacture, process, pack or hold food destined for human or animal consumption in the United States must also be registered with the U.S. Food and Drug Administration (FDA), effective December 12, 2003.

Shipments arriving from unregistered facilities are prohibited and may be subject to civil or criminal sanctions.

To apply for registration, any company outside the U.S. must have an assigned U.S. Agent (e.g. U.S. affiliate, buyer, customs broker, etc.). You can register electronically, at no cost, by going to the following page on the FDA web site <http://www.cfsan.fda.gov/~furls/ovffreg.html>. Call Brian Rowe, General Manager – Customs Consulting Services, for more information.

USA animal products restrictions

The Canadian Food Inspection Agency (CFIA) implemented import restrictions on a range of animal related products imported from the U.S., following the positive testing of Bovine Spongiform Encephalopathy (BSE).

More information is available at this web address: www.inspection.gc.ca/english/anima/heasan/disemala/bseesb/america/imprestrict.shtml

Expansion of Mandatory HS

Before May 2002, when Customs introduced the Mandatory HS initiative, HS codes were not required at time of release. Effective May 3, 2004, a minimum of five HS codes will be required to obtain release of commercial shipments valued at CAN \$1,600 or more.

At time of release, one of the five 10-digit HS codes provided must be for either:

- the highest value commodity of the shipment, or
- the commodity that provides the most reasonable representation of the shipment. ("reasonable representation" is defined as the commodity that reflects the true nature of the goods contained in the shipment)

Release requests will be rejected by Customs if the 10-digit HS codes are not provided.

On request, Universal Logistics will do the appropriate research to apply the required HS codes at time of release.

Report marine cargo

(Cont'd from page 1)

The data must include complete and accurate shipment descriptions. General descriptions such as "freight of all kinds", "general merchandise", "shipper's load and count", "said to contain", and similar such terms will not be accepted.

When reports are submitted, the CBSA will issue, within 24 hours, a "Hold for Examination" or a "Hold for More Information". Otherwise, the freight is eligible for loading. If you are issued a Hold for Examination, an examination will be arranged in the foreign port and there could be additional examinations, requests for information and a "Do Not Unlade" order when the freight arrives in Canada. If you receive a "Hold for More Information", the information requested in the message must be transmitted to the CBSA within the timetables for the applicable cargo.

The cost of meeting this new requirement will be covered with a fee of US\$30 per Bill of Lading or House Bill imposed by the steamship lines, and passed on by Universal Logistics, effective April 19.

Future phases of ACI, to be implemented later this year and next year, will address advance reporting time frames for rail, air and highway shipments. Watch for announcements of these new initiatives on our web site (www.universallogistics.ca) and in *Route*.

Route

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Company Corner Certification pays off for Clients

Twenty Certified Customs Specialists (CCSs) are at work at Universal Logistics, reflecting the high priority placed on ensuring employees have the training and qualifications required to meet – and exceed – Client expectations.

CCS accreditation is attained by successfully completing a comprehensive two-year course offered by the Canadian Society of Customs Brokers (CSCB). Thereafter, CCS designates are required to maintain their standing by completing professional development modules, on-line refresher courses, attending recognized education seminars and other approved activities.

Going the extra mile

Here is how far we go to meet the International Transportation needs of our valued clients. Most recently, Paul Glionna, Vice President – Operations, returned from agent visits in Asia. This month, Chris Barnard, Vice President – Sales & Market Development, is conducting strategy meetings with our European partners.

