

Take the right Route

News and Views for the clients of Universal Logistics • Summer 2001

Get on the *Inside Trac*

Don't forget to visit our web site (www.universallogistics.ca) and register for the *Inside Trac* interactive features, located on the *Clients Only* page:

- * Transportation clients can Track and Trace an import or export shipment (ocean and air). For example, you can trace Inbound Freight by: Ship Date, PO Number, Exporter or Origin.
- * Customs Clients can access real-time Customs release status.
- * Customs Clients and their vendors can prepare Canada Customs Invoices (CCIs).
- * Customs Clients and their vendors can access their tariff database, including vendors, products, HS Tariff Classifications, duty rates, etc.

INSIDE TRAC

Visit often as *Inside Trac* is a free service for the valued clients of Universal Logistics. More *Inside Trac* features will be released later this year and early next year.

In this issue...

Page 1

- * Get on the *Inside Trac*
- * On the move to improve
- * How to avoid the five common truck freight mistakes

Page 2

- * **Industry Roundup**
 - New requirements for exports containing wood packaging
 - Add IRS tax number to U.S. export documents
 - Royalties not a condition of sale, Supreme Court rules
- * **Company Corner**
 - New appointment
 - Puzzle Challenge
- * **At Your Service** – Jon Barnard
Manager - Distribution Services



On the move to improve - A complete range of transportation, customs brokerage, distribution and warehouse services are now available in our new, expanded Toronto Airport Branch office and distribution warehouse, opened in late June, 2001, at 3105 Orlando Drive, Mississauga, Ontario, L4V 1T9. The distribution/warehouse services offered range from consolidation, cross-docking and short-term storage to pick & pack, order fulfillment and light assembly. Our Head Office remains in Markham, Ontario. For more information, please contact Jon Barnard - Manager Distribution Services (Telephone: 905-676-2763, Email: jbarnard@universallogistics.ca)

How to avoid the five common truck freight mistakes

Most of our clients are wise managers of truck freight. But we still hear about incidents where a "small" mistake led to big problems. Here are the five most common problems - and the simple solutions we provide.

MISTAKE #1 *Allowing your supplier to choose the carrier*
When a carrier is hired by your supplier, the carrier answers to the supplier, not you. Worse still, the bill you receive from the supplier probably includes a little extra for the supplier. **Our Solution:** Make sure the Terms of Sale indicate that you will choose - and pay - the carrier. Then the carrier answers to you, plus you avoid paying any extra charges imposed by your supplier.

MISTAKE #2 *Using separate service providers for freight and customs clearance*

When you use separate service providers, it is all too easy to find yourself in the middle of a frustrating finger-pointing match, where each provider blames the other for a delay. **Our Solution:** Allow us to handle both jobs. Then it takes just one call to get information, and one invoice for all costs. Better still, the entire process goes more smoothly because we arrange customs clearance before or during the freight shipment.

MISTAKE #3 *Assuming you are getting the best price*
Even the major freight carriers, who promote a discount off tariff (as high as 60%), cannot provide the best price on every lane. Other carriers who specialize in particular lanes will offer the service at a better price. **Our Solution:** Allow us to choose the carrier who provides the best price for you, not the best fit for the carrier.

MISTAKE #4 *Assuming you are getting the right service*
There are many routing options when it comes to moving your truck freight. But your carrier may not offer the right option for your shipment and, as a result, you end up paying extra. **Our Solution:** Let us find the best match between your routing needs and the service offered by a carrier.

MISTAKE #5 *Taking chances with customs clearance*
The inability of many carriers to take best advantage of customs release procedures results in delays on arrival at the border. **Our Solution:** Let us choose the carrier who is most proficient with customs bar coding requirements, document procedures and release formalities.

For more information, call Mark Glionna, VP - Client Relations, (905-882-4880)

Industry Roundup

New requirements for exports containing wood packaging

Effective October 1, 2001, all coniferous wood packaging used in exports to the European Union (EU) must be treated to eliminate softwood pests, a step required under the new Canadian Wood Packaging Certification Program.

The Canadian Food Inspection Agency (CFIA) is designing a draft for this new program, which is scheduled for release this summer.

In the interim, the CFIA encourages exporters/manufacturers to utilize heat-treated or kiln-dried coniferous wood packaging from CFIA authorized facilities or packaging made of manufactured wood (i.e. plywood). Shipping invoices should state the type and condition of wood packaging used.

For more information, please contact David Lychek, Manager - Ocean Services (Telephone: 905-882-4880, Email: dlychek@universallogistics.ca)

Add IRS tax number to U.S. export documents

Shipping to the U.S.? Avoid unnecessary delays by ensuring the buyer's and/or consignee's Internal Revenue Service (IRS) tax number is stated

on all export documents. The IRS number is also known as an Employer Identification Number (EIN).

Shipments that arrive without the IRS/EIN number will be held, moved in-bond to the customs office nearest the consignee (bonded carriers only), or refused entry.

For more information, please contact Brian Rowe, General Manager - Customs and Consulting (Telephone: 905-882-4880, Email: browe@universallogistics.ca)

Royalties not a condition of sale - Supreme Court rules

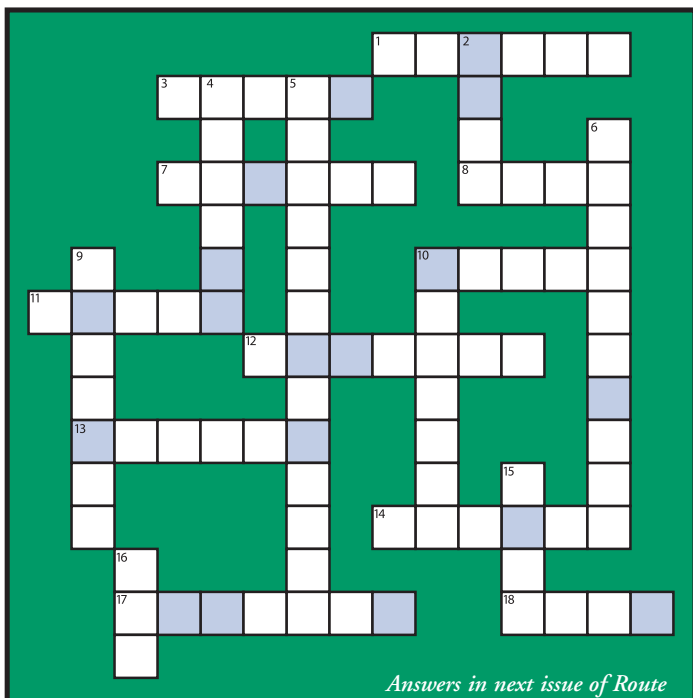
The Supreme Court of Canada has ruled that royalties are not a condition of sale and should not be included in the price paid or payable on import (i.e. non-dutiable). The decision, released June 7, 2001, relates to the case of Mattel Canada vs. Her Majesty the Queen concerning sale for export, royalties and periodic payments such as royalties.

In its ruling, the Court stated that unless a vendor is entitled to refuse to sell licensed goods to the purchaser or repudiate the contract of sale, the royalties are not considered a condition of sale and would therefore not be included in the price paid or payable on import.

For more information, contact Brian Rowe.

TRY OUR LOGISTICS CROSSWORD

Here's a fun way to test your knowledge of the logistics industry and our services. It could also be rewarding because the first three clients to submit an entirely correct crossword will win a gift basket. Fax your answers to 905-882-2250, attention Brian Rowe, Editor, *Route*.



Answers in next issue of *Route*



Unscramble the letters in the shaded areas to reveal the secret word

Across

- On budget, on time, on _____
- Canada Customs _____ (CCI)
- North American Free Trade Agreement
- A bond, agreement or contract
- Our automated information systems make it easier to _____ in touch
- Universal Logistics' logo is blue and _____
- _____ and Services Tax
- Canada Customs _____ (CCI)
- Opposite of export
- Universal Logistics is a _____ owned business
- Universal Logistics leads you on the right route to _____
- Our web site gives you _____ time access to your shipment status

Down

- The Frequent Importer Release System allows for the quick release of repetitive low _____ shipments
- Canada Customs system used to speed the release of shipments with the electronic transmission of data
- Our web site's "Clients Only" section has what interactive feature?
- An insurance contract providing protection for shipments within a specified trade area for an unlimited period of time
- The Certificate of Origin is a certified document used in _____ commerce
- Our president is Michael _____
- Dock, port or harbour
- Goods and Services Tax

Company Corner

New appointments

Brenda Munroe has joined the company as an Account Representative with primary responsibility for UK freight import sales. Brenda brings to her new position more than 20 years of industry experience encompassing everything from freight and customs brokerage to trucking and distribution.

At Your Service

When you need cross-docking, order fulfillment or even light assembly, contact Jon Barnard, Manager – Distribution Services, for a made-to-order distribution solution. Jon



Jon Barnard - Manager Distribution Services

has run our distribution services from its inception in 1998 and welcomes the opportunity to discuss your unique distribution/warehouse requirements.

Route

Route is produced quarterly for the clients of Universal Logistics. Reader comment and story ideas are welcome. Comments of general interest to all *Route* readers will, with the permission of the writer, be published. Copyright © 2001 by Universal Logistics Inc. All rights reserved. Reproduction for any commercial use is strictly prohibited.

Route is produced for Universal Logistics by Words at Work Adv. (Tel: 905-940-6610). Editor: Brian Rowe (Email: browe@universallogistics.ca).

While every effort has been made to ensure the accuracy of information contained herein, Universal Logistics accepts no responsibility or liability for errors or omissions.

For more information on the company's services, contact:

Universal Logistics Inc.,
175 Commerce Valley Drive West,
Suite 300, Markham, Ontario L3T 7P6
Telephone: 905-882-4880 Fax: 905-882-2250

www.universallogistics.ca

