

April 10, 2007

INDUSTRY NEWS

Mexican Truckers Lack Interest in DOT Crossborder Pilot Program

A firestorm among legislators and some members of the trucking industry ignited in February when the Bush Administration announced that it would conduct a crossborder pilot program that will allow some Mexican trucks to operate within the U.S.

According to the pilot program, a select number of Mexican trucking companies would be allowed to make deliveries beyond the 20-25 mile commercial zones that are currently in place along the Southwest border. According to the Bush Administration, the pilot program is a part of the 1994 North American Free Trade Agreement and will save time and money as the Mexican trucking companies would no longer have to wait for U.S. trucks to pick-up their cargo and deliver it to other locations in the U.S. and Canada.

However, opponents to the pilot program cite concerns such as the verification of driver's records, drug and alcohol testing, hours of service, cabotage, inspections, insurance and language barriers as issues that could spell disaster on U.S. highways. In other instances, some opponents are questioning if the U.S. Department of Transportation is seeking only the best Mexican trucking companies to participate in the pilot study, which will purposefully skew the results in favor of the program.

While turmoil is brewing in the U.S. regarding the pilot program, Mexican trucking companies are showing little interest in participating in the program. To date, only one long-haul company, Transportes Olympic of Monterrey, has signed up for participation in the pilot study. Furthermore, industry insiders question if the U.S. DOT will even come close to securing 100 companies that will operate about 1,000 trucks to participate in the study.

What is the cause for the low level of response from the Mexican trucking industry? Border bottleneck.

Each day, thousands of Mexican trucks wait for an average of six to seven hours at U.S. border crossings. At the border crossings, the trucks are subjected to rigorous inspections, which are not expected to decrease for those trucks involved in the new pilot study. The end result will be that Mexican trucking companies will be idling the best of their fleets at the border for hours on end.

Jose Refugio, Director of Mexico's cargo transport association, Canacar, told *Traffic World*, "Without more agile border crossings, the new pilot program will remain just a set of good intentions. More needs to be done to achieve a genuine opening of the border."

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DHS Expanding Air Cargo Test Project

The Department of Homeland Security (DHS) is expanding its \$30 million Air Cargo Explosives Detection Pilot Program, which screens air cargo for explosives.

The program, which is currently in place at San Francisco International Airport and Seattle-Tacoma International Airport, will now be expanded to Cincinnati/Northern Kentucky International Airport. The program enables DHS to monitor the flow and speed of cargo screening while shipments move through port cargo facilities.

Currently, the program places air shipments through X-rays, automated detection systems and other devices. The Department says that it is funding the development of systems that will enable entire pallets to be screened for explosives.

New Task Force to Redirect DHS Air Cargo Security Strategy

The International Air Transport Association (IATA) and the International Federation of Freight Forwarders Associations (FIATA) have formed a task force that both organizations hope will create a universally accepted cargo security strategy. The task force also plans to include domestic and foreign government agencies.

IATA spokesman, Steve Lott, told Congressional Quarterly, "...current cargo security standards focus on the backend, placing a disproportionate amount of the responsibility on airlines and ground handlers at the airport."

According to Lott, more security emphasis should be placed at the beginning of the cargo chain, which includes product producers and freight forwarders.

The new task force is also expected to target concerns regarding new regulations that require 100 percent of air cargo on board passenger flights to be screened prior to take-off.

TIA CONVENTION UPDATE

TIAPAC Set to Host Annual Silent Auction at Convention

Support TIAPAC's legislative efforts on Capitol Hill and in your state by bidding on a Silent Auction items at the TIA 29th Annual Convention and Trade Show. The auction will close on Saturday, April 21, 2007, immediately following the Chairman's Awards Reception and prior to the dinner. Below is a list of items that are up for auction.

Sports

*Four tickets to any 2007 Cincinnati Bengals home game
Donated by Total Quality Logistics

*Four tickets to any Cincinnati Reds home game and dinner for four at the Montgomery Inn
Donated by Gateway Distributing

*Four tickets to the St. Louis Cardinals vs. Washington Nationals game, Sunday, May 27, 2007
Donated by NOTS Logistics LLC

*Two seats to the 2008 Atlantic 10 Men's Basketball Tournament in Atlantic City, NJ, includes, opening round play, semi-final and championship games
Donated by Breck Logistics

*Four tickets to the Iowa Hawkeye home game of your choice choose either Syracuse (9/8/07); Indiana (9/29/07); Illinois (10/13/07); Michigan State (10/27/07); Minnesota (11/10/07); Western Michigan (11/17/07)
Donated by Des Moines Truck Brokers

*Four tickets to any Cincinnati Reds home (2 sets of tickets available)
Donated by Total Quality Logistics

*Four tickets to any Philadelphia Phillies 2007 home game
Donated by Westgate Global Logistics

*Two dozen "Pro B" golf balls
Donated by Network FOB

Display Items

*Two framed pictures of historic Burlington Northern Santa Fe Railway train engines
Donated by Action Cargo

*Landstar logo items includes, toy trucks, travel mug, koozie and more
Donated by Landstar

*Cargo Master custom made 18-wheeler miniature replica truck
Donated by Cargo-Master, Inc

*Two miniature replica National Carrier trucks and livestock trailers
Donated by National Carriers

*100% cashmere throw blanket
Donated by TransCredit

Vacation

*Fishing float trip and lunch for two on the Big Horn or Yellowstone Rivers
Donated by Freight Agency

*One round trip Southwest Airlines ticket good for anywhere they fly
Donated by Bee Trucking/San Antonio Merchant Shippers

Equipment

*Toshiba Satellite Laptop
Donated by McLeod Software

*Bushnell 10x25 Image View Digital Camera Binoculars
Donated by H&W Trucking

*Bose QuiteComfort 3 Noise Cancelling Head Phones
Donated by TIA

*Dell Laser Printer 1110 with Windows Vista and XP capability
Donated by TIA

Business Services

*Six month account subscriptions to Carrier411.com (2 subscriptions available)
Donated by Carrier411

*Comprehensive team analysis to maximize performance
Donated by Caliper

*One-year A-5 user platinum Aljex subscription
Donated by Aljex Software

*One month Web site banner advertising on the TIANet.org Web site
Donated by TIA

*One month advertising in *TIA Logistics Weekly*
Donated by TIA

*Three half page advertisements in *TIA Logistics Journal*
Donated by TIA

TIA Thanks the Following 29th Annual Convention and Trade Show Sponsors!

TransCore
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Convention News Briefs

Haven't reserved your hotel room at the convention yet? Sleeping rooms are still available at the Portofino Bay, and other hotels located near by the Royal Pacific Hotel--the site of TIA's 29th Annual Convention and Trade Show. The time period to reserve a room at the hotel using the TIA convention attendee discount rate has passed. To reserve your room please call (407) 503-3000 or toll free at (866) 563-9782.

Diesel Fuel Prices

As of April 9, 2007
U.S. \$2.840
East Coast 2.813
New England 2.821
Central Atlantic 2.852
Lower Atlantic 2.796
Midwest 2.835
Gulf Coast 2.810
Rocky Mountain 2.951
West Coast 2.921
California 2.978

TIA MEMBER NEWS

TIA Members Incorrectly Receiving Traffic World Cancellation Notices

It has been brought to our attention that some TIA members are receiving *Traffic World* magazine subscription suspension notices. Please disregard these notices from *Traffic World*. TIA is working with the magazine to quickly resolve this billing error. We apologize for any confusion. If you have any questions or concerns, please contact Jessica Mizell, TIA's Director of Marketing, at (615) 599-9263 or via e-mail at mizell@tianet.org.

Take Advantage of Low-Cost Ad Designs

TIA members are encouraged to take advantage of a new member benefit--low-cost, high-quality professionally designed advertisements. These ads must be created for inclusion in TIA publications or on the TIA Web site.

While the average cost to have advertisements professionally designed can cost hundreds of dollars per ad, TIA is bringing this service to its members at an extremely discounted rate. The advertisement creation prices are below:

TIA Logistics Journal print ad sizes:
Business card: \$110.00 per ad
¼ page ad: \$115.00 per ad
½ page ad: \$120.00 per ad
Full page ad: \$125.00 per ad

TIA Web site banner ads:
RGB color: \$110.00 per ad

TIA Logistics Weekly ads:
RGB color: \$115.00 per ad

You only get one chance to make a first impression. Take advantage of this opportunity to showcase your company. For more information, contact Kelletha Blackburn, TIA Communications Manager at blackburn@tianet.org.

TIA Member Happenings

Bridge Logistics, located in Cincinnati, OH, has reported a more than 5,000 percent growth during its first four years.

The company, which has 15 employees and expects to double that number in the next two years, reported more than \$8 million in revenue in 2006. This represents a 5,061 percent growth since its founding year, in 2003, and a 1,019 percent growth from 2004-2006. By comparison, the third party logistics industry has enjoyed a 14 percent annual growth since 1996, according to a recent survey by the Council for Supply Chain Management Professionals.

TIA Foundation Announces New Two Part International Freight Forwarding Boot Camp

The TIA Foundation has announced a new two-part seminar entitled, International Freight Forwarding Boot Camp. The boot camp is designed to give senior leadership at third party logistics organizations the tools they need to move their companies into the expanding field of international logistics. Space is limited to 30 participants.

Formally a one-day course, the international freight forwarding seminar has been redesigned into an intensive two-part, six day seminar that is set to begin June 1, 2007, in Denver, CO. The second part of the course will begin October 5, 2007, and is also scheduled in Denver, CO. Attendees must attend both parts in order to receive credit for the course. The cost to attend the boot camp is \$1,100 per part. All participants must pay the entire seminar registration fee for the part(s) of the seminar that they want to attend in order for their spot at the boot camp to be reserved. Space is limited to 30 participants and is on a first-come, first-served basis. Below are additional details about the boot camp.

Part I of the course entitled, "Domestic Freight Forwarders Class," scheduled, June 1 and 2, 2007, at the Hyatt Regency Tech Center in Denver, CO, will focus on topics such as:
*Building a business model for international freight forwarding
*Export verses import
*Ocean freight verses
*Air freight
*Documentation requirements
*Developing a global network
*Compliance issues
*Avoiding disasters and contingency planning

The third day of the Part I boot camp, scheduled June 3, 2007, is entitled, "Skills Sets Development in: INCO Terms, HTS, Schedule B Classification, AES and ABI." The cost of the class is covered in the Part I enrollment fee and will provide attendees with a full review of the Harmonized Tariff Schedule and INCO terms. Attendees will also learn about issues such as, the general rules of interpretation, the importance of chapter notes, how preferential tariff treatments and country of origin rules come into the correct tariff and tariff rate determination. The class will include a full discussion of binding rulings using the U.S. Customs and Border Protection Web site and CROSS.

Part II of the International Freight Forwarding Boot Camp is scheduled, October 5-7, 2007, and will be held at the same location as Part I. Entitled, "International Logistics, Import Operations, Procedures, Documentation and Compliance," the first two days of the boot camp will include the following topics:
*Ocean freight *Air freight
*NAFTA third party logistics
*Bonded warehouses and foreign trade zones
*HTS classification, valuation and record keeping
*Import compliance management

The third day of the Part II boot camp, scheduled October 7, 2007, is entitled, "Export Operations, Procedures, Documentation and Compliance." The cost of the class is included in the Part II enrollment fee. The class will cover topics such as:

*Incoterms review
*Scope of Export Administration Regulations (EAR)
*Antiboycott compliance
*Export licensing
*Recordkeeping requirements
*View of violations

For more information, or to register for the course, contact Cindy Amos, TIA Director of Education and Development at (703) 299-5710 or via e-mail at amos@tianet.org.

2007 TIA EVENT CALENDAR

April 18-21, 2007

[TIA's 29th Annual Convention and Trade Show, Orlando, FL](#)

May 7, 2007

[Hazardous Materials Transport Course](#)

May 14, 2007

[Temperature Control Transport Course](#)

May 16, 2007

[Emergency Preparedness Planning for Freight Brokers](#)