



In The News

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1. CFIA Letter to freight forwarders/shippers/port authorities on wood packaging

The following notice was received from CFIA regarding wood packaging, quote:

"Please be aware that the Canadian Food Inspection Agency (CFIA) is implementing new rules for the import and export of solid wood packaging (dunnage, pallets, crating spools, etc.) on January 2, 2004. Wood packaging that is constructed from manufactured wood (plywood, medium density fibreboard, etc.) is exempt from the new regulations.

As part of Canada's obligation as a member of the International Plant Protection Convention (IPPC), the CFIA is phasing-in new policies relating to the movement of wood packaging. The IPPC agreement ISPM # 15: Guidelines for Regulating Wood Packaging in International Trade (please see www.ippc.int for more information) is also being implemented by Canada's trading partners internationally.

The new regulations for importing and exporting wood packaging do not apply to Canada's ongoing trade with the United States.

Importers

Importers wishing to bring wood packaging into Canada must meet the requirements of Policy Directive D-98-08: Entry Requirements for Wood Dunnage, Pallets, Crating or Other Wood Packaging (please see <http://www.inspection.gc.ca/english/plaveg/protect/dir/d-98-08ae.shtml> for more details). D-98-08 will be phased-in from January 2, 04 to June 1, 2004. After June 1, 2004, importers that do not comply with the requirements of D-98-08 may result in the destruction of the wood packaging, refused entry and return to the country of origin, time delays, added costs and fines.

Exporters

Where exporters are required to meet the conditions of ISPM #15 when shipping to countries other than the United States, a certification program is now available through Policy Directive D-01-05: The Canadian Wood Packaging Certification Program (CWPCP) for Export (please see <http://www.inspection.gc.ca/english/plaveg/for/cwpc/cwpcapple.shtml> and <http://www.inspection.gc.ca/english/plaveg/for/cwpc/wdpcge.shtml>).

As the international standard for wood packaging is being adopted globally, other countries will also be implementing new regulations for imports. It is the responsibility of Canadian exporters to determine these import requirements. Non-compliant wood packaging from Canada that enters another country may be returned, and be subject to added costs and fines as well as delays prior to being released to the importer. These consignments are also subject to Canadian export laws.

We would ask that you inform your clients, suppliers that use wood packaging that the new regulations will be phased in between January 2 and June 1, 2004. If you have any further questions or concerns please contact your local CFIA Office at www.inspection.gc.ca/english/directory/offbure.shtml or call 1-800-442-2342. " Unquote.

2. CTSA member lines adopt 2004 rate program

Major container shipping lines operating the Asia-to-Canada trade say they are looking forward to a robust freight market during the 2004-05 season, with cargo demand outpacing last years record totals.

Member lines in the Canada Transpacific Stabilization Agreement (CTSA), a carrier discussion forum, voiced optimism about further economic recovery, recent increases in durable goods orders and other business spending on top of healthy retail sales; a need to replenish manufacturing, wholesale and retail inventories, and the ongoing shift in global manufacturing to Asia.

These and other positive indicators have prompted CTSA lines to announce an increase to base freight rates across the board, effective May 1, 2004, by the following amounts:

US \$450 per 20ft container
US \$600 per 40ft container
US \$675 per 40ft high cube container
US \$760 per 45ft container

Proportionate increases will be taken for cargo rated on a weight, measurement, per unit or other basis. CTSA lines also indicated that the peak season surcharge of US\$400 per 40-foot container in effect this year will be reinstated in 2004, effective June 1 through October 31, 2004. As in previous years, the surcharge is intended to help offset cost impacts from increased cargo, deployment of additional linehaul and feeder vessel capacity as needed, and contingency planning related to assuring available space and equipment during peak periods.

CTSA lines also advised that they are introducing a charge in the New Year to assist with the increased costs associated with MLB, AW and IPI cargoes. Effective January 1, 2004 MLB/IPI Surcharge (EIS) is being implemented at \$190.00 per 20ft container and \$250.00 per 40ft container. CTSA Lines indicated that this charge is being implemented to recover the increased costs associated with the ongoing trade lane equipment imbalances, reduction of storage facilities for equipment and the costs associated with the shifting of equipment.

Members advised that the rate program would continue to be reviewed throughout 2004, with the possibility of further adjustments above the aforementioned levels. Recent rate increases have

helped reverse some of the dramatic revenue losses incurred in the 2002-03 season, but they do not fully recoup losses over time, address continuously rising fixed operating costs, or send an adequate long-term signal to lenders or the investor community that encourage future modernization and service expansion.

It is anticipated that cargo volumes will drop to some extent towards the middle or end of November, and then pick up again in December as a result of year-end volumes and an early Lunar New Year in Asia. Industry estimates predict a 7-9% increase in new ship capacity in the transpacific market during 2004, against a 10% rise in cargo demand.

3. CTSA member lines announce Fuel Recovery Charge adjustment

Under the Canada Transpacific Stabilization Agreement, major Trans-Pacific shipping lines of the Canada Transpacific Stabilization Agreement (CTSA), wish to advise their customers that the Fuel Recovery Charge will be adjusted to the following levels starting January 1, 2004.

US \$ 140.00 per 20ft container

US \$ 185.00 per 40ft container

US \$ 210.00 per 40ft high cube container

US \$ 235.00 per 45ft container

4. BA to Increase Fuel Surcharge

British Airways World Cargo announced that it has increased its fuel surcharge to CAD 0.23/kg in Canada, effective 18th December 2004. The charge will be based on the execution date on the Air Waybill. The increase has been caused by the continued rise in fuel prices, causing the fuel index to exceed the level 3 threshold for two consecutive weeks. The index was developed by British Airways World Cargo to provide customers with more information about the calculation of fuel surcharges. It is updated on a weekly basis and posted on the <http://www.baworldcargo.com/> web-site. Undoubtedly, other Airlines will follow suit!

5. Listing of cargo dimensions possibly mandatory as of April 2004

As of April 1, 2004, subject to Government approval, IATA Res. 600a will come into effect making it mandatory to include cargo dimensional information on each Master AWB regardless of whether or not the cargo is subject to volume rating. Airlines have argued that weight and dimensions are inextricably linked when it comes to cargo handling and aircraft load planning. In adopting this change, the airline industry believes that this requirement will enable it to better plan aircraft payloads, reduce handling irregularities and minimize cargo off-loads.

After further discussions within the IATA/FIATA Consultative Council (IFCC) a number of practical issues were taken into consideration and it was agreed that the AWB Box 22I 'Nature of Goods and Quantity of Goods' must show one of the following:

1. The consignment dimensions, comprising the greatest length, greatest width, greatest height, and unit of measurement and number of pieces.
2. If it is a consolidation as one moveable part, then ONLY the dimensions of the overall consolidated consignment are required.
3. Dimensions are NOT required for cargo tendered intact in authentic pre-built aircraft containers or pallets.
4. If the dimensions are not available and/or cannot be included on the air waybill at the time of completion, then total volume of the consignment shall be inserted.
5. If neither can be provided, the AWB must clearly show 'No Dimensions Available'.

How and whether this program will be rolled out in Canada, is not yet known to us.

6. ITN Receives HTFN Chairman's Award

ITN is proud to announce its recognition as a recipient of the Chairman's Award at the annual Hi-Tech Forwarders Network conference held in San Francisco. This prestigious award is given to a logistics provider who has shown outstanding performance and efficiency in all aspects of cargo handling, and as voted on by it's 80+ worldwide members.

HTFN can be accessed through their website at www.htfn.com

Any questions/clarifications with the above, please contact your sales representative or call **ITN Customer Service** department at **(905) 362-1111**



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sales@itn-logistics.com with the word REMOVE or ADD (accordingly) in the subject line.