



**CUSTOMS BROKERS & FREIGHT
FORWARDERS ASSOCIATION
of Charleston, S.C., Inc.**

P.O. BOX 20578 • CHARLESTON, SC 29413



Amended 2010 Slate of Officers

President:

Liz Deaton – Argents Express Group

Vice President

Jessica Marriott – YRC Logistics

Secretary:

Alicia Mederios – D.J. Powers Co., Inc.

Treasurer:

Sharon Schuler – Western Overseas Corp.

1 Year Trustee:

Robert Simpson – Global Logistics & Customs

2 Year Trustee:

Frances Anderson – International Forwarders Inc.

The Architects of Transportation



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Treasurer's Report

November 12th, 2009

Checking Account Balance as of 10/08/09:	\$	6,388.03
Deposits:		
2009 Dues	\$	810.00
Additional Attendee (Oct. Meeting)	\$	140.00
US Trade Agreements Seminar	\$	365.00
Duty Drawback Seminar	\$	730.00
Hazmat Training Seminar	\$	3,040.00
Total Deposits:	\$	5,085.00
Disbursements:		
Hazmat Training Seminar	\$	1,200.00
Radisson: Oct. Meeting	\$	1,016.52
Radisson: ADD/CVD, Drawback, Hazmat, TSA Seminars	\$	1,493.92
Total Disbursements:	\$	3,710.44
Checking Account Balance as of 11/12/09:	\$	7,762.59

Respectfully Submitted,
Robert Simpson
Treasurer

Port Committee Meeting of October 13, 2009

S C S P A:

Jim Newsome
Paul McClintock
Peter Lehman
Fred Stribling

C B F F A:

Alicia Medeiros
Gerald Bresnihan
Lou Mello
Ricky Martin
Jack Daniel

- 1) The meeting was the first one for the new management team at the State Port Authority with the committee from the brokers association. Jim Newsome & Paul McClintock both attended and participated in the discussions.
- 2) There was a discussion of the Maersk situation. Maersk like many other steamship lines is operating in a very difficult economy. The year 2008-2009 was the worst business year ever in the history of containerized shipping. Jim Newsome expects the SPA will hear something from them in the next two weeks or so. He remains optimistic Maersk will stay in Charleston but doesn't believe this will mean any new services in the short run. Maersk is in the process of re-configuring their Atlantic services. Containership lines have had their worst year ever in 2008-2009. Losses are staggering with lines operating in a very lean condition on a month to month basis. Many ships have been withdrawn from service and laid-up.
- 3) Work on the Navy Yard container terminal continues to proceed. There are several law suits pending (one in the state court system and two in the federal court system). As no injunction has been issued by the federal court, the contractor continues his work. The SPA remains confident they'll have favorable rulings on these law suits by the end of this year.
- 4) There was a discussion of Union Pier re-development and the cruise facility. The SPA board has authorized the hiring of Cooper, Robertson & Partners to lead an experienced team to redesign some 13 acres at Union Pier. Goals of the plan are to a) create a financially sound plan for a new Union Pier cruise terminal, b) meet the new CBP security requirements for cruise facilities, c) identify additional uses for the property, d) mitigate traffic impact on the neighborhoods and e) provide more public access to the waterfront.
- 5) Port management indicates one of their ultimate goals is to move the BMW operation to a larger area at Veterans Terminal probably with a public-private partnership. BMW is growing rapidly with a new model scheduled for production at their Greer plant in the coming year. Veterans Terminal will require work because of the finger piers at that facility. Veterans Terminal has substantially more acreage than Union Pier. The BMW import operation was moved to the port of Brunswick, Georgia about a year ago. These changes will take some time to accomplish.

- 6) General business conditions were discussed. There was a huge plus for Charleston announced on October 12th when TPC Corporation confirmed they would locate their import distribution operation near Summerville in a new 400 acre industrial park being developed by Mead-Westvaco and the Rockefeller Group. A building in excess of 1 million square feet will house the import tire operation of TPC. SPA management is excited because most of the imported cargo will be of far-east origin. Moreover, TPC was courted by a number of our competing seaports.
- 7) Long-shore Union Delegates from the ILA have agreed to a contract extension of two years to their contract which expires in September 2010. Rank & file ILA members will vote on the contract extension by November 17, 2009. Had the contract not been extended, shippers & importers may have started to make serious plans to divert cargo as early as January 2010. In a weak economy, this is really good news for east & gulf coast ports.
- 8) West Coast ports of Long Beach & Los Angeles are losing cargo to east coast ports via all water services. The Panama Canal widening project won't be completed until 2014. SPA management believes large vessels in the 8,000 TEU range will begin making calls from the far-east to the U S east coast in the next year or two. These vessels draw from 45 to 47 feet of water. Charleston has deep water now and can handle 8,000 TEU vessels without additional dredging. Presently, there are only two east coast ports with these capabilities.
- 9) As you know, Carnival Cruise Lines will base a vessel at Charleston beginning in May 2010. This is the first time a cruise line has based a ship here year around. Carnival will be offering four, five and seven day cruises to the Bahamas, Grand Cayman, Key West and other locals. Next year is a great time for members to think about a Carnival Cruise.

Port Committee Meeting of November 9, 2009

SCSPA:
Jim Newsome
Fred Stribling
Pam Everett

CBFFA:
Alicia Medeiros
Lou Mello
Ricky Martin
Jack Daniel

- 1) Construction continues on the Navy Yard Container Terminal. The containment wall is well underway. Wick drains are being used to dry out that portion of the land where fill material has been placed. The next phase of terminal construction will be transporting fill material inside the containment wall. Much of this fill material may be brought over from the dredge disposal site on Daniel Island.
- 2) There is a court hearing scheduled for November 17, 2009 before a Federal Judge in Charleston who will hear arguments on the injunction application filed by the Coastal Conservation League. The U S Army Corp of Engineers will have Federal attorneys defending the permit grant. The SPA will act on behalf of the Army Corp.
- 3) There was a meeting in North Charleston of the neighborhoods surrounding the new Navy Yard Terminal on Saturday, November 7, 2009. SPA management was satisfied with the results of the meeting.
- 4) The SPA board of directors adopted a new "strategic plan" at their meeting on October 20, 2009. The strategic plan was developed over an eight month period with the help of consultants. The plan emphasizes the strengths of the port of Charleston and areas of future opportunity. Highlights of the plan are available on the SPA web site.
- 5) Maersk Lines has agreed to a new contract to remain at the port of Charleston through 2014. The contract includes a substantially reduced "foot print" at the Wando Welch terminal. Maersk has much less business at Charleston than just a few years ago. As an example, Maersk moved 400,000 TEUs in 2006 while they'll only move approximately 160,000 TEUs this year.
- 6) There was a discussion of the Maersk chassis rental program now being utilized at the port of New York-New Jersey. Chassis are rented to motor carriers for \$11/day which is billed to the customer (importer or exporter). Some steamship lines have a chassis usage charge of \$60.00. These developments should be watched closely by the trade community due to the rising costs involved.

- 7) The South Carolina Department of Transportation has agreed effective January 1, 2010 to allow reefer containers on major S C roads with a total rig weight of 100,000#. A permit will be required. The maximum weight per axle will be 22,000#/axle. Charleston had lost most of its frozen chicken business to Savannah & Wilmington because those states have higher weight limits than South Carolina for all containers.
- 8) There was a discussion of the "clean trucks program" now underway at the ports of Los Angeles and Long Beach. These programs have been controversial due to their costs and style of implementation (Los Angeles requires company drivers as opposed to owner operators). New York is now considering such a program and the mayors of New York City & Newark have written letters of support to the head of the port authority of New York-New Jersey. Association members need to keep up with these developments.
- 9) There was a discussion of port business conditions. The SPA reported a slight increase in container volumes in October but doesn't see any real upswing until mid 2010. Container ship lines will lose a combined \$20. billion dollars in 2009. The SPA expects to see reduced revenue as lines seek reductions in the contract commitments. The SPA is aggressively going after additional business. Business conditions remain hyper competitive.
- 10) Continuing the discussion of business conditions, SPA management mentioned a number of recent positive trends. The decision by Maersk to continue service at Charleston is very good news as Maersk remains the largest steamship line in the world. The announcement of the TPC distribution center near Summerville will mean more far-east cargo. The real game changer for the low country economy was the announcement by Boeing of their Dreamliner production facility and an investment of \$750 million. Jim Newsome believes the Boeing plant will mean Boeing & their suppliers will move cargo through the port of Charleston.
- 11) Princess Cruise Lines had their Crown Princess make a port call at Charleston. This call brought a lot of business to the market area at a slow time of the year. There were positive reports with the local media. This brings up the new cruise facility which is being planned at Union Pier. The first "listening" session was held by planners Cooper, Robertson & Partners a few weeks ago. The listening session allowed local residents to have input into the terminal plan.

Maritime Association

The October meeting was held on Wednesday the 21st at the Maritime Association office.

No ruling yet on the injunction from the Coastal Conservation League. The SPA has determined that with the current economic conditions, the port will not be needed until 2017 instead of 2014. There is concern from the local community that this admission will mean that the funds secured from the State for the roads will be spent on other things and will not be available when needed. The SPA feels strongly that the money will still be available and that to continue to say that there is a need for the port in 2014 would be misleading. Should the economy turn around quicker, the construction schedule can be revamped to meet the needs.

The concerns expressed over the height of the Don Holt Bridge and how long the North Charleston Terminal will be able to accommodate the larger ships was discussed. Right now it is not an issue but should the lines decide to bring in the larger ships, the SPA is prepared to make the necessary adjustments to accommodate those ships at the Wando and Columbus Street terminals until they can be accommodated at the new terminal.

The Awards committee is assembling a list of nominations for this year's Beacon and Gadsden Awards. This will be presented to the board for consideration.

Maritime Memorial Day was November 5th - Noon memorial at Patriot's Point on the fantail of the Yorktown.

The Port Holiday Party will be held in conjunction with the Propeller Club on December 10th. It will be held at the Confederate Home (on Broad St). Sponsorships are \$100.00.

The Seafarer's "Taste of the World" is being held on November 12th 5:30- 7:30pm at Alhambra Hall. Tickets are \$50pp. Tables are \$500- \$1000.00.

Jim Newsome's first State of the Port Address was given on 10/22 at the Propeller Club dinner.

Jim Newsome accepted a position on the board of the Chamber of Commerce.

The Strategic Plan was approved on October 20th. The public document will be posted on the SPA's website.

TWIC cards – the pin numbers were lost so if you don't know your pin number and your card was issued before 10/21/08- you'll need a new card. There is no charge for the replacement but you do need to get one.