



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

P.O. BOX 20578 • CHARLESTON, SC 29413



Minutes of regular meeting January 8, 2009

Presiding: Barbara Locklear – President
Lisa La Salle – Secretary

Liz Deaton – Vice President
Robert Simpson – Treasurer

The meeting was called to order at 12:30 PM with a quorum present

PRESIDENT'S REPORT

Local Issues:

Door Prize Sponsors Needed: A sign-up sheet was provided at the registration table for anyone interested in providing a door prize for any of this year's meetings. Wilson Trucking will sponsor our September door prize. The sign-up sheet will be circulated to the membership via email. If you are interested in sponsoring the prize, please indicate the month and provide your contact details. Please return the form to the secretary via email: (lisa.lasalle@yrclogistics.com) or via fax to 843 766 9190. You will receive a 'reminder' message prior to the month for which you are responsible.

Board Meeting: The first meeting of the new board will take place on January 14th. Should you have concerns that you would like addressed at a board level, please forward them to any board member so they can be included on the agenda. Contact details for your board members are:

President: Barbara Locklear - Blocklear@jfmoran.com Vice-President: Liz Deaton – Ldeaton@argents.com
Secretary: Lisa LaSalle – Lisa.Lasalle@yrclogistics.com Treasurer: Robert Simpson – Robert@qlcassociates.com
1-year Trustee: Jessica Marriott – Jessica.Marriott@yrclogistics.com
2-year Trustee: Gerald Bresnihan – gjbresnihan@chpowell.com

Treasurer's Report: Treasurer's report was presented and is attached here and incorporated into the minutes by reference.

Committee Reports:

Customs committee: The committee met on January 6 and the report was presented by Wallace Hester. Report is attached here and incorporated into the minutes by reference. Next meeting will be February 3rd. Please let any committee member know of items you would like presented to CBP.

Port committee: The committee met on December 12 and the report was presented by Jack Daniel. Report is attached here and incorporated into the minutes by reference. Next meeting will be on January 12th. Please let any committee member know of items you would like presented at this meeting.

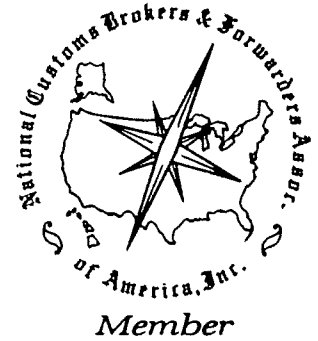
Automation: There was no report this month on automation.

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Committee Reports (contd):

Education: A list of possible topics to be covered in the New Year was recapped. There was also discussion about having the seminars keyed to experience levels, possibly with one session dedicated to beginning level knowledge and one for more advanced knowledge. There was a reminder as well that CBP is now putting on the 10+2 Seminar, not the association. Registration can be completed through customs website. The link is:
http://www.cbp.gov/xp/cgov/trade/trade_outreach/.

Membership: The report was presented by Pat Fosberry and is incorporated here by reference. There are plans underway to target membership for future seminars and build the membership in the coming year.

Social Planning: No report for this month. The committee will start working on plans to host an event for the new port director.

Carrier/Forwarding: There is no report for this month. The board will discuss guidelines for this committee at our meeting on January 14th and move forward with a plan for the future activity of this committee.

Other reports:

Maritime: The regular January meeting was held on 1/8/09. There was an emergency meeting on 12/19/08 after the announcement that Maersk was leaving Charleston. Report is attached and is incorporated into the minutes by reference.

New Member Readings:

Seamac Shipping Inc. had the second reading and was accepted as a regular member.

Gallman Personnel Services and Anyware Express had 1st readings as affiliate members. 2nd readings will be at the February meeting.

Meeting was adjourned at 1:30 p.m. Next meeting will be February 12th.

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CUSTOMS COMMITTEE - CBFFA of CHS MEETING REPORT

Meeting Date: 1/6/09

CBFFA Attendees: Wallace Hester
Dennis Melton
Lou Mello
Tammi Laroche
Karen Carlin

Report:

Item 1 – Toy Drive Thank You

A heart thank you was presented to the association for all those participating in and supporting the CBP-organized toy drive for Christmas this year. Support and donations very high making the entire effort a successful one for CBP.

Item 2 – Proof of Export for Shipments moving under Customs Supervision

Discussion of which documentation is required and deemed acceptable by CBP under this scenario resulted in the following confirmations by CBP and local FF&P Officer (Karen B.):

- CBP Form 4647 cannot be accepted as sufficient proof of exportation under Customs supervision.
- CBP Form 7512 or CBP Form 3495 are deemed as sufficient proof of exportation under Customs supervision.
- Given that supervision is required, a bill of lading in any form would not be deemed as sufficient proof of exportation under Customs supervision.

Item 3 – Drawback Inquiry

Discussion of which drawback filing ports should be used by filers given physical location and whether or not a remote location filing. Local CBP presented this question to chief of Drawback entry in Newark resulting in the following information:

- Of the 5 existing drawback filing ports (1001, 2704, 2809, 3901 and 5301) for drawback entry (CBP Form 7551) can be filed at any port except 2704, regardless of the location from which the filing was made and whether or note the filing was a remote one. Filings should not be presented in 2704 any longer as all current filings there are being forwarded to 2809 for processing, which CBP indicated signals that LA will likely be shutting down as a drawback filing port.
- It should be noted that filing CBP Form 7553 must however, be filed in/at the port of potential examination may occur. If this is not the port of exportation, than a T&E would then be required for moving shipment to the port of exportation.

Port Committee Meeting of December 12, 2008

S C S P A:

Bernie Groseclose
Pam Everitt

C B F F A:

Alecia Medieros
Lou Mello
Ricky Martin
Jack Daniel

- 1) The S C State Port Authority board of directors is expected to meet in Charleston on Tuesday, December 16, 2008. Management will present a number of financial reports and reports on business volume to include cargo throughput, vessel activity, and various measures of productivity. It's expected these reports will show a 4% to 5% decline in business for the first half of the fiscal year.
- 2) The board will receive various committee reports and discuss action items which include a) security infrastructure and the access control system at the Wando Welch Terminal and b) perimeter security and intelligent video surveillance systems also at Wando Welch. These projects were partially funded by Federal Government grants.
- 3) The SPA board will consider a resolution to offer for sale certain property on the Cainho Peninsula on Pinefield Drive. These properties were acquired a number of years ago for a railroad right of way on Daniel Island. The property is offered to the original owners first before being put on the general market.
- 4) The board will learn of an EPA grant which will allow certain engines to be re-powered with cleaner engine. This grant will cut emissions on the docks once installed.
- 5) As you will recall, the Coastal Conservation League has sued the U S Army Corp of Engineers over the construction permit granted for the Navy Yard Container Terminal. SPA management was asked if the SPA has entered this law suit. According to management, the SPA has not yet filed to enter the law suit but expects they may do so within the next few weeks.
- 6) SC DHEC has granted the SPA a land disturbance permit to construct the containment structure at the Navy Yard site. The CCL objected to SC DHEC but was rebuffed. To appeal, the CCL must file with an Administrative Law Judge a notice of appeal within 30 days.
- 7) SPA management has been given some flexibility in awarding future dredging work at state terminals. As you will recall, there is often a problem in getting needed dredge equipment in a timely manner as this equipment is committed to projects many months in advance. SPA management hopes to have dredging performed when equipment is in the area rather than waiting many months while dredges are diverted to Charleston.

- 8) There was a discussion of risk in so far as port operations are concerned. With today's economy, there is a considerable credit risk when companies either file for bankruptcy or simply go out of business. SPA management is keeping customers on a short leash to assure payments don't get too far in arrears.
- 9) Transport Workers Identification Card: There was a discussion of the TWIC card introduction. SPA reports the TWIC introduction has gone well. Private sector service providers who go to the pier less than five times a year don't need a TWIC card. The SPA is providing escorts at Union Pier Terminal for persons picking-up automobiles, boats and heavy equipment. Regular pier users do need a TWIC card to gain admittance. Parts of the Wando terminal are outside the TWIC footprint and don't require a TWIC card for entrance.
- 10) The new Obama Administration has indicated an aggressive infrastructure construction program will be pushed in the early part of 2009. SPA management has been asked about potential infrastructure projects which might be ready to start within the next 90 to 180 days. The port access road into the Navy Yard terminal is one of the projects which could benefit from additional infrastructure funding.
- 11) There was a discussion of general business conditions at the port. Business remains weak as steamship lines are becoming more selective in booking some cargo including waste paper, scrap metal, used tires, etc. Experience has shown some of this cargo arrives overseas only to be abandoned.
- 12) There have been some recent personnel changes at the SPA with Jo Douglas joining the SPA as manager of Regional Sales and Tariff Administration. Ron Chestnut has retired from the SPA. There are several pending retirements pending in the summer of 2009.
- 13) Questions were asked about the negotiations between Maersk Lines and the ILA. The SPA indicated they have offered Maersk Lines a ten (10) year contract at the SPA. The SPA has made concessions to Maersk to a) reduce their equipment usage at the Wando Terminal and the size of their yard or b) move into the common use area. Maersk was satisfied with these options and chose the common user option. According to management, the ILA had a joint meeting of all their locals the evening of December 11th and voted not to make any concessions to Maersk. This decision sets the stage a decision by Maersk Lines. At the present time, Maersk represents about 20% of the port of Charleston's business.



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



Member

Membership Committee Report

Date: January 5, 2009
Submitted by: Pat Fosberry, Chairman - John S. James Co.
Steve Earnhardt, Member – Avalon Risk Management

I. Membership Applications

- a. Applications distributed at January meeting
- b. Electronic applications to be distributed to all members via email
- c. Completed letters to be sent to Membership Committee
 - i. Pat Fosberry – pat.Fosberry@johnsjames.com
 - ii. Steve Earnhardt – searnhardt@avalonrisk.com

II. Membership Drive

- a. CBFFAC/CBP "10 + 2" Seminar – January 28, 2009
- b. Target attendees
 - i. Highlight educational programs via CBFFAC
 - ii. Handout of committee responsibilities

Assess. Aim. Act. Achieve!



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Maritime Meeting Report:

The January meeting was held 1/08/09.

An emergency meeting was called for the Maritime Board on 12/19/08, after the Maersk press release indicating the decision to leave Charleston. The board met to discuss ideas to keep the Maersk business in Charleston. Some of the members were going to schedule meetings with the ILA President, Ken Riley to discuss the situation. John Hassel advised also there was a meeting in Columbia scheduled on 12/22/08 to discuss the situation with our state politicians. The SCSPA would also be at the meeting. Currently Charleston is losing 2 calls per week and expected to lose the west med service by summer.

At the meeting, Senators Grooms, McConnell and Leathermen were there, along with John Hassell, Bernie Groseclose and some Maersk Executives. Maersk expressed if a new plan could be put in place and still be cost effective, they would change their decision. The Maritime Association along with the SCSPA are working with the ILA and SSA, to try and put a new proposal together that hopefully be acceptable for all the parties. The Maritime Association is still hopeful that this will be resolved and Maersk will remain in Charleston. However, as board members pointed out, time is of the essence in the negotiations. It was also noted at the meeting, the both Mayor Riley and Governor Sanford have made phone calls to Maersk.

It was also discussed at our January meeting that the port business is down this fiscal year. The SCSPA has offered incentives to customers. They have cut rates by 5% to the carriers. They have offers out to various lines looking to consolidate east coast services. 2009 business however, is not expected to be as good. So far the SCSPA business is down about 4%.

It was mentioned about the Evergreen office closing. Approximately 40 people will potentially lose jobs. At present Evergreen has no plans to discontinue the vessel calls, they are only looking to consolidate several east coast offices to Dallas.

The Maritime annual meeting and banquet will be held on February 6th, 2009 at the Charleston Marriott Hotel. You can go to the web site www.maritimesc.org to register.

Next meeting will be 2/18/09.

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