



THE PORTAL

VOLUME XXXVI

The Journal of the Household Goods Forwarders Association of America, Inc.

JULY/AUGUST 2004

The European
Union:
How Will You
Be Affected?

2003-2004
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About our cover: HHGFAA President Terry Head in front of the European General Bank in Frankfurt. Coverage of the EU and its impact on HHGFAA members begins on page 5.

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European Union: Real Thing? Real Impact?



By Terry R. Head
HHGFAA President

If you are engaged in international trade or international relocations, you have probably heard of the European Union or, as it is often called, the EU. Whether you realize it or not, you have most likely already been affected by the establishment, growth, and expansion of the EU. And that's probably true regardless of whether your business is based in an EU nation, whether you conduct business in an EU nation or reciprocate tonnage with an EU based entity, or whether you simply have been affected by EU policy.

"Policy" is and will increasingly be a key word for the EU and the countries and commercial entities upon which it will have impact. However, infrastructure, current and future, will also be a major consideration.

The idea to focus this issue of *The Portal* on the European Union stems from the fact that on May 1, 2004, the EU expanded its membership to include 10 additional countries, for a total of 25 nations today.

This enlargement will give the EU a true "continental" dimension. If you plot it on a map, you will see that its uninterrupted land mass extends from the south of Spain to the north of Finland, from Portugal to Romania. Think of how many new road and rail systems and railroad yards, as well as airports and seaports, now fall under the EU's policy and control.

The size of its shipping fleet has increased substantially, given the fact that the flags of Cyprus and Malta alone represent a tonnage equivalent to that of the 10 nations that comprised the EU before its expansion.

The European Union has been and will continue to be a major force not only in trading circles, but on the regulatory front. We see the impact and growing influence of the EU in the general news every day. Just ask Microsoft and Vodafone. Closer to our industry, we read of the EU negotiating "Open Sky" agreements with the United States and other foreign national air carriers that desire greater access to European air markets. We see the EU speaking out against the continuation of antitrust immunity for the ocean carrier conference system.

Think of the hundreds of thousands of transport workers and the competing companies for which they work who now fall within the EU's jurisdiction and responsibility. The economic impact of this one factor alone is hard to even imagine. That's particularly true when you recognize that the 25 member countries are at varying stages of development — economically, culturally, and sociologically. Wages and benefits are far from equal in many of these countries. Rules governing such things as driver qualifications, safety, operational standards, environmental controls, and harmonized fuel taxes, as well as the adoption and use of technologies for customs processing, security, and satellite tracking all will ultimately need to be standardized.

The internal competition factor is where we will probably see the first impact of the EU's expansion. The European Union was founded on the basis of a shared need and desire to compete and trade proficiently and profitably on the world stage, so it is ironic that through this expansion it may create an initially unbalanced competitive environment within its own structure.

I'm confident that all these issues and problems, internal and external, that come with growth and expansion will sort themselves out over time. But it certainly will take time.

Regardless of where you live and work, you need to recognize that the European Union is the real thing and it is here to stay. It's probably also wise to expect that the EU will have impact on all of us. For that reason we hope you will review and enjoy the variety of articles and information we have assembled about the European Union within this issue of *The Portal*.

ABOUT THIS ISSUE

On May 1, the European Union grew by 10 new member states that will add a whole new dimension to the union, including a pool of skilled labor and each country's respective economic base.

These are fascinating times for any company that works in Europe or does business with partners there. This issue of *The Portal* focuses on many facets of the EU — from logistics, to air traffic, to maritime security — and includes the perspective of several HHGFAA member companies who now fall within the Union's boundaries.



The next several pages of *The Portal* contain articles of interest to those who want in-depth information related to the EU, its composition, what makes the organization tick, the challenges both encountered and anticipated, and what lies ahead. You should also come away with a better understanding of what the new and expanded European Union — now 25 members strong — will mean for your own company and the industry as a whole.

Throughout the rest of this issue, in every section, you will find articles related to some aspect of the European Union. Those articles are easily identified by the symbol at right. ■

The European Union

The European Union (EU) is a union of 25 independent states and was founded to enhance political, economic and social cooperation. Formerly known as European Community (EC) or European Economic Community (EEC). The following countries are now members of the EC (currency used in each country is shown in parentheses):



- Austria (Euro)
- Belgium (Euro)
- Cyprus* (Pound)
- Czech Republic* (Koruna)
- Denmark (Krone)
- Estonia* (Kroon)
- Finland (Euro)
- France (Euro)
- Germany (Euro)
- Greece (Euro)
- Hungary* (Forint)
- Ireland (Euro)
- Italy (Euro)
- Latvia* (Lats)
- Lithuania* (Litas)
- Luxembourg (Euro)
- Malta* (Lira)
- Netherlands (Euro)
- Poland* (Zloty)
- Portugal (Euro)
- Slovakia* (Koruna)
- Slovenia* (Tolar)
- Spain (Euro)
- Sweden (Krona)
- United Kingdom of Great Britain and Northern Ireland (Pound)

*Joined the EU on May 1, 2004

Improving Transport Connections Between the Enlarged EU and Its New Neighbors

Transport infrastructure development was recently discussed at a ministerial meeting on a “Wider Europe for Transport” in Santiago de Compostela, Spain. Improving connections between the enlarged EU and its new eastern and southern neighbors is especially important following the historical enlargement of the Union as well as the recent adoption of the Guidelines for the development of the trans-European transport network (TEN) inside the EU.

“This meeting is an important starting point to our discussions with our neighbors on improving our transport interconnections and identifying priority projects on the main axes,” said Loyola de Palacio, the Commission vice president responsible for energy and transport.

The “Wider Europe for Transport” meeting was co-hosted by Loyola de Palacio, vice president of the European Commission responsible for transport and energy, and Paolo Costa, member of the European Parliament and chairman of the Committee on Regional Policy, Transport, and Tourism. Also in attendance were key figures of the transport sector in Europe, including the transport Ministers of Italy, the Netherlands, Russia, Slovenia, Spain, Turkey and Ukraine as well as the vice president of the European Investment Bank.

The participants at the meeting decided to set up a High Level Group tasked with agreeing on the extension of the major trans-European axes of the TENs to the neighboring countries including the new Motorways of the Sea, and on the identification of priority projects on these axes. The Pan-European Corridors and Areas form the background for the exercise for Russia and the western New Independent States, including the Black Sea region and the Balkans. For Turkey the process of transport infrastructure needs assessment is underway and, in the Mediterranean region, a project has been launched to develop the Euro-Mediterranean transport networks. In addition to infrastructure measures, other transport policy issues will be looked at including standardization and interoperability, cross-border and other interconnections, operational procedures and quality requirements, environmental sustainability and modal balance.

Enlargement and the accession of 10 new Member States on May 1, 2004, meant that the external borders of the Union shifted further towards the East and the South, introducing several new neighboring countries to the EU. The revision of the TEN-T Guidelines was aimed at better integrating the new Member States to the Union. Recent studies forecast that rapid growth in trade and transport will continue.

By 2020, the volume of traffic between the EU and its neighbors is expected to double. The existing transport connections between the enlarged EU and its neighbors therefore need to be improved. ■

Railon Launches Services Through 3 Countries

Since May 3, the German state-owned train operator Railion is the first company to offer schedule services through three European countries without a change of driver.

Every week, 20 such trains depart from Stuttgart via Singen (both Germany) and St. Margrethen (Switzerland) to Wolfurt (Austria). Railion says the new system means time and cost savings and a higher quality of service.

The locomotives and drivers must be separately licensed in all countries involved, which Railion claims is a costly, bureaucratic obstacle to smoothly operating international rail transport.

SOURCE: International Transport Journal

Euro-Zone Unemployment Stable At 9.0%; EU25 Down at 9.0%

Euro-zone seasonally adjusted unemployment stood at 9.0% in May 2004, unchanged compared to April, according to a report by Eurostat, the Statistical Office of the European Communities. It was 8.9% in May 2003. The EU25 unemployment rate was 9.0% in May 2004, down from 9.1% in April. It was also 9.1% in May 2003.

In May 2004, the lowest rates were registered in Cyprus, Luxembourg, and Austria (all 4.2%), Ireland (4.5%), the United Kingdom (4.7% in March), and the Netherlands (4.9% in April). Unemployment rates were highest in Poland (18.9%), Slovakia (16.4%), Lithuania (11.5%), and Spain (11.1%).

Twelve Member States recorded an increase in their unemployment rate over a year, 11 a decrease, and two remained the same. The Netherlands (3.6% in April 2003 to 4.9% in April 2004), Sweden (5.4% to 6.7%), Luxembourg (3.6% to 4.2%), and Denmark (5.4% in April 2003 to 6.0% in April 2004) recorded the most important relative increases, while the largest relative decreases were observed in Estonia (10.4% to 9.1%), Lithuania (13.0% to 11.5%), and Cyprus (4.5% to 4.2%).

In May 2004 compared to May 2003, the unemployment rate for males in the Euro-zone grew from 7.9% to 8.0%, while it fell from 8.4% to 8.3% in the EU25. The female unemployment rate remained the same at 10.2% in the Euro-zone, and was unchanged at 10.0% in the EU25.

In May 2004, the unemployment rate for under-25s was 17.4% in the Euro-zone and 18.2% in the EU25. In May 2003 it had been 17.2% and 18.5%, respectively. The lowest rates for under-25s were observed in Austria (6.9%), Ireland (8.1%) and the Netherlands (9.5% in April 2004), and the highest in Poland (39.6%), Slovakia (28.3%), Italy (27.1% in January 2004), and Greece (27.1% in December 2003).

Eurostat estimates that in May 2004, 12.7 million men and women were unemployed in the Euro-zone and 19.3 million in the EU25. These are seasonally-adjusted figures in line with ILO criteria.

In May 2004, the US unemployment rate was 5.6% and the Japanese rate was 4.6%.

Poland: Educated and Looking for Work

Although it has the largest pool of educated workers and the largest market of the 10 new entrants into the European Union, Poland is losing to its smaller neighbors in Central Europe in the battle for foreign direct investment, according to a study published in the summer issue of the McKinsey Quarterly. To reverse this trend by attracting multinational corporations, Poland will have to work harder to create a more inviting investment climate, say the study's authors, Michael Kwiecinski and Thomas Rudel.

The study said Poland could be in a position to attract \$15 billion in new foreign direct investment and create 500,000 new jobs in offshore services in the next 5 years, but only if its national and local authorities cut red tape, including the number of documents required to hire a worker, and make the legal system more transparent by ensuring that different tax offices interpret and apply regulations in the same way.

The government must also change the attitudes of its civil servants toward business and the way it evaluates their performance, the authors say. If it can improve its investment climate, Poland will be able to cut its unemployment rate and go a long way toward getting the country back on track to meet its 5% annual GOP growth target, in contrast to the low of 1% in 2001.

—SOURCE: *The Journal of Commerce*

Large Differences in the Tax Burden Between EU Member States

Among the Member States there are substantial differences regarding the total tax burden. Sweden recorded the highest tax-to-GDP ratio (50.6% in 2002), followed by Denmark (48.9%), Belgium (46.6%), and Finland (45.9%). The lowest ratios were observed in Ireland (28.6%), Lithuania (28.8%), Latvia and Malta (31.3% each), and Cyprus (32.5%).

In 2002 as compared with 2001, the tax burden declined in 16 out of 24 Member States. Poland (from 41.2% to 39.1%), Ireland (from 30.5% to 28.6%), Sweden (from 52.2% to 50.6%) and the United Kingdom (from 37.3% to 35.8%) recorded the largest reductions. The tax-to-GDP ratio increased in 8 out of 24 Member States, the highest increases being recorded for Luxembourg (from 40.7% to 41.9%) and the Czech Republic (from 34.3% to 35.4%).

Taxation in the EU from 1995 to 2002

In 2002, the overall tax burden (i.e., the total amount of taxes and Social Security contributions) in the Eu25 stood at 40.4% of GDP. The tax-to-GDP ratio increased from 40.5% in 1995 to 41.8% in 1999, then declined steadily from 1999 to 2002. From 2000 these reductions in the majority of the Member States have been due partly to reforms in tax systems, particularly through cuts in personal income tax rates and in social contributions. In 2002, as compared with 2001, the EU25 tax-to-GDP ratio decreased by 0.7 percentage points.

In all 10 new Member States (NMS), the tax-to-GDP ratio was lower in 2002 than the Eu15 average (40.5%), ranging from 28.8% in Lithuania to 39.8% in Slovenia.

EUROPEAN UNION VALUE ADDED TAX

<http://www.eurunion.org/legislat/VATweb.htm>

Every member state of the European Union has a value added tax (VAT). The rates vary from 15 to 25% among the member states and among certain types of products. If you do business with EU countries you need to know about Value Added Tax, and a good place to get up to speed is European Union Value Added Tax (<http://www.eurunion.org/legislat/VATweb.htm>). This site has links to information about VAT rates, legislation, proposals, refund procedures, and everything else you need to know.

One thing you may not know is that companies can reclaim the VAT on specific business expenses. A lot of companies don't seem to know this — according to some estimates, US companies are currently reclaiming only 20% of the more than \$1 billion they are paying in VAT in Europe, whereas German companies are giving away an estimated \$1.2 billion in unclaimed European VAT refunds. The VAT Recovery Group, headquartered in Germany, can help you recover your VAT expenses.

(This item is copied from the newsletter *Really Useful Sites for International Trade Professionals*, a free, biweekly e-mail publication of FITA—The Federation of International Trade Associations.)

The Euro Reigns Supreme

By Hanes Surowiecki

Five years ago, Europe embarked on an audacious economic experiment: taking 11 competing currencies and turning them into one. The introduction of the euro was seen as a herald of unified European economy, and some thought it would challenge the dollar's status as the world's currency of choice. Things didn't go quite as planned — the euro's value was dismally low for its first couple of years. But since 2002, as American travelers have discovered to their dismay, the euro has grown valuable and the dollar has become cheap.

The idea of the euro is an intuitively appealing one, especially for travelers who no longer need to change money every time they cross a border. Economies work best when there is as little sand as possible in the gears of buying and selling, and multiple currencies represent a lot of unnecessary sand.

Euro advocates believed that people in France would do business more easily with people in Italy or Finland if they were all using the same currency, and on this count, the euro has performed as promised. Trade among the euro countries jumped 30% in the currency's first year, and has continued to grow since.

But economies do not live by trade alone. Interest rates and government policy are also important. And here the euro has hurt Europe. The major economies on the Continent have been stuck in a slow-growth, high-unemployment pattern for years. The traditional way to get an economy out of that kind of rut is to use two tools: monetary policy (cutting interest rates) and fiscal policy (boosting government spending and/or cutting taxes). The United States, for instance, relied on both in the wake of the 2001 recession. But the euro has made it harder for Europe to use those tools effectively.

Although the euro treats Europe as if it were one economy, it really isn't. Instead, it's made up of very different kinds of economies, fast-growing ones and slow-growing ones. The euro, however, means that Europe has to use a one-size-fits-all approach to monetary policy. And since European central bankers are obsessed with keeping inflation low, the higher interest rates they've set for all members have been a straitjacket. As for government spending and tax cuts, in order to adopt the euro, countries had to promise to keep their annual budget deficits and their government debt below certain levels. The theory was that in general, the more government debt an economy has, the less productive it will be. But when an economy is stagnating, deficits can be useful. The euro has made it harder for governments to use them.

So why is the euro so strong? The biggest reason is probably America, and specifically the current behavior of the US government and US consumers. Since 2001, the United States has been running massive budget deficits. Someone has to fund them by buying government bonds, and since Americans save almost nothing, it's foreigners who are footing the bill. At the same time, Americans are buying furiously from the rest of the world, creating a trade deficit that also needs to be funded. With foreign investors hesitant, and more skeptical about the value of a dollar, American assets have to be cheaper to attract them, which means the dollar has to fall.

Therefore, it isn't that the euro is really so strong, but that the dollar is weak. With neither the European nor the American economy running the way economies should (Europe too conservative, the United States too profligate), it's more a matter of which of them looks less bad. And unfortunately for Europe, the strong euro has actually made it harder to create jobs, since European goods are now more expensive in the rest of the world, hurting European businesses.

This doesn't necessarily mean that the euro was a mistake. Indeed, the euro's introduction was not economic — it was political. Since World War II European leaders have worked to ensure that there would never be any serious conflict on the Continent again. Economic unity, the thinking went, would breed political unity. Thus the euro is an integral part of forming a true European state. At the same time, some EU members, including Britain and Sweden, have refused to become members of the euro zone, while Germany and France have been violating the euro treaty with their fiscal policies. But certainly the idea of a unified Europe remains a powerful one.

SOURCE: Travel + Leisure magazine

Striving for Harmonized Standards

By Andrew D. Beadle

Many American appliances carry the Underwriters Laboratory label, which certifies that the device meets safety standards. But although the UL label is good enough for lamps sold in the United States, it is not recognized by some European nations.

Neither are US certification and testing standards for many other products. The lack of reciprocity hurts US exporters. They want to see better coordination so they don't have to meet different rules to sell in different countries.

An agreement recently negotiated by the Office of the US Trade Representative is a step in that direction. The US-EU Mutual Recognition Agreement, effective July 1, 2004, provides that manufacturers of certain marine equipment will find it easier to have their products tested and certified domestically, then accepted for sale in the European Union. EU testing will be allowed for products sold in the United States.

Some US trade organizations hope the agreement will be a model for similar accords that will reduce product certification and testing costs, and eliminate a significant trade barrier. Meanwhile, the agreement covers only 43 primarily industrial products.

US companies have long complained about the cost of testing and certification by other countries of products that have already achieved US certification. Other countries will generally require additional testing certification, usually in their own laboratories, even if they have the same standards as the United States, and this has been an impediment to trade. Mutual recognition agreements are a substitute for all nations having identical certification requirements. In the absence of harmonized standards, nations can at least accept one another's equivalents.

SOURCE: The Journal of Commerce

Roadmap for EU-US Regulatory Cooperation and Transparency

The European Commission and the United States government announced at the EU-US summit on June 26 that their services have developed a Roadmap for EU-US Regulatory Cooperation and Transparency, outlining a broad range of activities intended to reduce costs, expand market opportunities, and help minimize EU-US regulatory differences. The Roadmap reflects the importance of EU-US regulatory cooperation for removing undue barriers to transatlantic trade and investment. It also represents a move toward a more systematic implementation of the EU-US "Guidelines on Regulatory Cooperation and Transparency," an important mechanism for promoting a positive EU-US economic agenda. Intensified EU-US regulatory cooperation will facilitate trade in goods and will enable regulators to better discharge their public responsibility for health, safety, the environment, and consumer protection.

"The Roadmap ... will help the regulators concerned to plan and carry out their work in a spirit of cooperation, and could also serve as an example for others to follow suit," said Erkki Lilkanen, the Enterprise Commissioner.

The Roadmap addresses several ongoing regulatory cooperation projects, identifies new areas of cooperation, and sets out a number of horizontal initiatives. These include improving the regulatory environment, exchanging regulatory work plans, and promoting exchanges of regulatory experts, as well as outreach activities. In addition, it looks into a possible expansion of and improvements to the current Guidelines, including development of a model confidentiality agreement to support the sharing of confidential information under a range of EU-US regulatory cooperation projects.

The Guidelines for EU-US Regulatory Cooperation and Transparency, developed in 2002, help promote better EU-US cooperation, while also promoting transparency and public participation in the regulatory process. The Guidelines are an important part of the Transatlantic Economic Partnership (TEP) and a useful policy tool for EU and US regulators, offering political support to the process and helping them define their own approaches for effective regulatory cooperation.

The Commission and the US Government also will be seeking concrete ideas from interested stakeholders on prospective EU-US cooperation activities.

The Roadmap, as well as the Guidelines, are available on the Internet at http://europa.eu.int/comm/enterprise/enterprise_policy/gov_relations/internatl_regul_coop_eu_us/index.htm.

The EU's Transportation Infrastructure Problem

The EU is struggling with problems of overstretched infrastructure and the need to inject competition into protected transportation sectors. European ports are trying to cope with a surge in traffic driven by a boom in two-way trade with China. Shipowners are growing nervous about European ports' ability to handle double-digit traffic growth that will be boosted by the new generation of 8,000-TEU ships.

Moving containers to and from the waterways is getting harder as the key highways from northern ports to the trans-Alpine passes linking Germany, France, and Italy, the continent's three biggest economies, get clogged. Rail freight remains an alternative only on paper, as shippers complain of poor service by state-owned companies. Air cargo and express carriers are constrained by European prohibitions on night flights.

Meanwhile, transportation projects are being scrapped or delayed. The UK government recently refused to approve a privately financed \$18 billion track shuttle railway from the Port of Liverpool to a distribution hub in northern France that Central Railway had been developing since 1991. Frankfurt, Europe's largest air cargo hub, admits that new concerns about safety could delay its expansion, including a new runway, beyond the planned start date of 2007. Ambitious plans to expand Rotterdam's container and distribution facilities are still trapped in the complex Dutch planning system, 9 years after outline plans were first published.

Worse, European transport operators are mired in regulatory uncertainties as market-opening measures are blocked or weakened by labor unions and their political supporters. Most recently, a plan to inject competition into ports in a bid to reduce handling costs was narrowly defeated in the European Parliament and is unlikely to be revived soon.

Germany's proposed highway toll system for trucks has unsettled transport operators. This is true especially for forwarders that had drawn up plans to shift freight to rail and short-sea shipping, to avoid possible 15% cost increases from the toll road. The toll will now be phased in from 2005 and won't be fully operational until 2007.

There is a growing awareness of the financial cost of Europe's inadequate transport infrastructure. The Confederation of British Industry warned recently that the nation's port system is at "breaking point," with growing congestion and delays to rail and trucking deterring foreign investors — with delays costing British business \$27 billion a year. A pending 10-year program to spend \$325 billion improving road, rail, and air networks is, say critics, too little and too late.

EU transport ministers agreed in March to a new set of measures to fully deregulate the rail freight market by January 2007. This means that any European rail operator will be able to pick up and unload goods anywhere in the 25-nation EU. The package also aims to harmonize technical and safety standards to allow trains to cross borders faster, without the current 3-hour wait to change locomotives and engineers. Now, the speed of international freight services has fallen to 11.25 miles per hour.

Some shippers have set up their own services, with mixed results. Eurotunnel, the operator of the Channel Tunnel, in February became the first private company licensed to operate trains through France, the EU's most protectionist rail market, for a UK-Italy service. And Eurotunnel plans to operate the railcars itself rather than using locomotives from state-owned monopolies, as other operators are forced to do. The company's announcement sparked demonstrations by French railway workers, underscoring the depth of opposition to deregulation in a country wedded to government monopolies.

State-controlled monopolies still control 95–98% of European freight movements. Britain's rail freight industry is fully privatized, and Germany has more than 20 private companies challenging DB Cargo, Europe's largest rail freight operator. But in some countries, there is no penetration by private rail operators. Private firms find it extremely difficult to obtain licenses to cross borders.

The good news is that several major projects are nearing completion, notably the Betuwe line, a \$5 billion rail freight corridor linking Rotterdam to the German railway network, that is expected to trigger a significant shift of container traffic from trucking. Also, the Italian and French governments have agreed to co-finance the \$15 billion construction of a 26-mile trans-Alpine rail link between two of Europe's largest industrial hubs, Lyon and Turin.

Moreover, Europe boasts an increasing number of world-class transport companies, including Deutsche Post, which is challenging the global supremacy of UPS and FedEx; P&O Ports, one of the largest port-operating companies; the recently merged Air France-KLM, the biggest airline in terms of revenue; Maersk Sealand and Mediterranean Shipping Co., the leading global container shipping lines; BAA, the world's largest airport operator; and Lufthansa Cargo, the top international airfreight carrier.

SOURCE: Adapted from an article in The Journal of Commerce

EU Expansion Speeds Up Logistics

By Kathleen Hickey

Freight will move faster within Europe thanks to recent changes logistics operators made after 10 Eastern European countries joined the European Union.

Some shippers may see transit times reduced by up to 4 days within Europe as logistics and transport companies eliminate circuitous routing once used to connect Eastern and Central Europe with the West, said David Burton, executive director of TNT Express, the express delivery arm of Dutch postal service TPG.

Amsterdam-based TNT Express launched 16 new linehaul connections among eight of the new EU countries and Western Europe in May. The new trucking routes will cut intra-Europe transit times from 6 days to 2, said Burton.

Many European transport and logistics operators are pushing into Eastern Europe now that the EU's borders have enlarged to take in Europe's poorer but ambitious economies. Most experts see the short-term opportunities as relatively limited — the combined GDP of the 10 countries totaled a little less than that of the Netherlands in 2002 and the GDP per person in Eastern Europe was less than half that in Western Europe, according to Eurostat.

Therefore, most of the new activity is made up of relatively small steps aimed at the surface sector. Logistics operators are shifting intra-East Europe distribution patterns and truckers are striking deals such as the partnership Britain's Davies-Turner forged with Poland's Raben Logistics to offer 24-hour delivery in that country.

Such expansion demonstrates faith that the larger market will lead to more trade and traffic, at least within the larger European Union borders. The most immediate benefit is the eastward extension of the EU's hassle-free border crossings, which will speed existing trade. Burton said that stops at borders can add 12 to 60 hours to transit times. Most of TNT's routes will be north-south, rather than east-west.

For now, experts aren't expecting the enlargement to spur greater international trade out of Eastern Europe or shift general distribution patterns and warehouses east from the Benelux region.

But the enlargement will lead to an increase in shipments among Eastern, Central and Western European nations, said Burton, who says that people tend to view the EU as almost a domestic market that now stretches to the Russian border.

TNT Express is investing about \$13.4 million in new facilities, vehicles and drivers, adding 25 vehicles and 35 drivers for new linehaul routes as well as sortation capabilities at 10 existing sites. It will add an international road hub in Warsaw to coordinate shipments throughout the new EU countries. The Warsaw hub, which will cost some \$3.1 million, will open in 2005.

Other logistics operators also anticipate increased traffic. German third-party logistics firm Schenker is opening a logistics center in Bratislava, Slovakia, that will serve as a hub between Austria and the Czech Republic.

The center will have room for 6,000 pallets and capacity for growth, said Elmar Wieland, regional director, Schenker, Essen, and chairman of Schenker & Co. Wieland is responsible for the company's business in Southeastern Europe.

"This is currently the most modern logistics terminal in Slovakia," he said. "Once the long waits at the border crossings have been eliminated, we can reliably provide time-defined products in surface transport with and inside Slovakia."

The site offers Europe-wide and national distribution via surface and air.

SOURCE: *TrafficWorld*

EU Countermeasures Defended

The EU has targeted US agricultural products, textiles and apparel, industrial products, electronic products, steel products, and miscellaneous products (paper, jewelry, footwear, glassware) for retaliatory duties in the next phase of a long-standing trade dispute over a \$5 billion-a-year export subsidy ruled illegal by the World Trade Organization (WTO), reports *Inbound Logistics* magazine.

Countermeasures on the selected products consist of an additional 5% customs duty to be enforced immediately, followed by automatic 1% monthly increases up to a ceiling of 17% to be reached March 1, 2005.

EU Trade Commissioner Pascal Lamy said, "Despite waiting for more than two years, the United States has not brought its legislation in line with WTO rules. We are therefore left with no choice but to impose countermeasures. The name of the game is not retaliation but compliance."

The countermeasures fall well below the \$4 billion level the WTO authorized last year. With the clear objective of obtaining withdrawal of US measures, the EU action provides for a gradual imposition of countermeasures according to the EC.

SDDC Completes Record Global Movements

In coming weeks, the Surface Deployment and Distribution Command will complete the largest equipment movements in its 30-year history.

Over 330 vessel actions have been conducted by SDDC that have shifted Soldiers and Marines in Operation Enduring Freedom and Operation Iraqi Freedom. These are the biggest shipments the Department of Defense has had since World War II.

“We have moved the equipment from eight of nine Army divisions in support of these operations,” said Brig. Gen. Mark Scheid, Deputy Commanding General/Director of Operations. Moving that equipment by surface rather than by air results in significant cost savings to the taxpayer — about 10 times less, Scheid added.

Much of the cargo going to Operation Iraqi Freedom went to the port of Ash Shuaiba, Kuwait. The installation handled a record four Large, Medium-Speed, Roll-on/Roll-Off vessels and one Fast Sealift Ship on March 2.

“The Kuwaitis’ work with us extremely well on adjusting pier space for us,” said Scheid. “This is just one example of the support they provide.”

Since the 1192nd mobilized in January 2003, its members have conducted operations at 15 US ports, working more than 180 vessel loads and moving 22 million square feet of cargo.

Since December 2002, SDDC moved nearly 59,000 containers of sustainment in support of operations Enduring Freedom and Iraqi Freedom. Laid end-to-end, the containers would stretch from Washington, D.C., to New York. In the past 6 months, APL has moved 3,300 20-foot containers in support of Operation Enduring Freedom and Operation Iraqi Freedom.

The maritime movements affected other carriers as well. Through June 15, CSX Transportation, Inc., of Jacksonville, Fla., had moved 7,180 flatcars of equipment for SDDC this year. The railroad moved a comparable figure of flatcars in the same period in 2003.

Another industry contributor was American Roll On Roll Off Carrier LLC, of Montvale, N.J., which provided two vessels for charter to the Military Sealift Command.

SDDC will get a short summer pause. Shipments for Operation Iraqi Freedom III begin in September.



DDC Commanders-current and future: Maj. Gen. Ann Dunwoody, SDDC Commander, sits with SDDC's new leader: Brig. Gen. Charles Fletcher Jr., at the Commanders' Conference, at Williamsburg, Va., July 17.

Fletcher Prepares for New Role as SDDC Commander

Brig. Gen. Charles Fletcher Jr., currently the Army's Assistant G-4 (Logistics), will take over command of SDDC in a formal change of command ceremony Aug. 24 at Fort Myer, Va.

Fletcher addressed SDDC commanders and key staff at the SDDC Commanders' Conference, July 17-19, in Williamsburg, Va.

La Rosa Del Monte Gets Military Approval in Miami

The Miami branch of Puerto Rico-based La Rosa Del Monte Express recently received full agency approval in South Florida under the DoD Transit Storage Program.

“We have already been one of the strongest military agents in Puerto Rico for at least 10 years and several years in the Dominican Republic,” said Anthony Rodriguez, director of logistics for La Rosa Del Monte Express. “We now have our first CONUS military-approved branch and are well beyond the preliminary process in Texas. We will then go back to Orlando and the rest of our 11 branches. Our carriers are also excited because in a lot of cases we will offer origin, inland, and destination services. We already offer linehaul service in our schedule of rates out of Jacksonville throughout Florida.

“Aside from the international codes 4 and 7, our domestic experience is a great asset in handling codes 1 and 2,” said Rodriguez. He added that the company’s origin and destination service for VIP shipments is growing rapidly.

For more information, e-mail logistics@larosadelmonte.com.

Veteran Transporter Assumes Command of SDDC’s European Group

Col. Gary Stanley assumed command of SDDC’s 598th Transportation Group in Rotterdam, the Netherlands, effective July 8.

Stanley commanded the group’s 839th Transportation Battalion, Livorno, Italy, from 1999 to 2001, a turbulent time with numerous SDDC peacekeeping movements in Bosnia, Albania, and Kosovo.

Since 2001, he has served as senior Army liaison at the Naval Warfare Development Command, Newport, R.I., and most recently he was a student at the Naval War College, also in Newport.

Next January, Stanley will lead his own team and take over the operation of SDDC Southwest Asia.



Stanley

SMALL BUSINESS

Data on Small Business Contracting Revised

By Amelia Gruber

After uncovering a technical error, the Small Business Administration has revised its statistics on the value of contracts federal agencies awarded to small businesses last year.

Small companies garnered nearly \$3 billion more in prime government contracts in fiscal 2003 than reported three months ago, according to SBA's updated figures. This brings the revised value of fiscal 2003 transactions to \$65.5 billion, a new all-time high.

At the same time, the total value of contracts awarded last year is also higher than originally thought, so the percentage of contract dollars going to small business is lower than previously stated. The corrected figures show that agencies granted small businesses 23.6% of \$277.5 billion in prime contracts.



Agreement Creates CSI Europe

In May, the European Community and the US Department of Homeland Security (DHS) signed an agreement that expands the Container Security Initiative (CSI) throughout Europe.

Under the CSI, US Customs and Border Protection officers work alongside host-country customs officers to identify and examine high-risk containers for materials that could jeopardize US security or undermine the global supply chain.

“This agreement sets the stage for enhanced cooperation between the United States and the European Community on CSI and other important security programs of common interest,” said DHS Secretary Tom Ridge. “This agreement will lead to enhancements in our mutual efforts to prevent terrorists from exploiting the international trading system.”

The agreement intensifies and broadens Customs cooperation and mutual assistance in customs matters between the European Community and the United States, said DHS. The pact’s objectives include expanding the CSI, establishing minimum standards for risk-management techniques, and improving public-private partnerships to secure international trade’s logistics chain.”



Hong Kong Adds Box Scanners

Two more mobile x-ray scanners have been installed at Hong Kong’s main Kwai Chung container complex, doubling the number in use at the port. Costing about \$2 million each, the truck-mounted systems can scan a 40-foot container in just over a minute. The scanners are equipped with a radioactivity-detection system, which can locate sources of gamma or neutron radiation.

Lufthansa Carries C-TPAT Abroad

Non-United States airlines are starting to enter the Customs-Trade Partnership Against Terrorism program, extending a program that has become a linchpin of American efforts to secure cross-border freight movement.

Lufthansa Cargo’s certification under the US Customs and Border Protection Agency’s C-TPAT puts the world’s largest international freight carrier in the program, adding pressure for other airlines hauling US-bound traffic to participate.

Lufthansa’s action followed the certification in May of Nippon Express, the largest air forwarder based in Japan. With strong backing from shippers anxious to minimize delays under tightened security strictures, C-TPAT has become a kind of stamp of approval for operators bringing goods into the United States.

Certification requires demonstrated high security standards, including physical security around facilities and the use of technology to track the flow of goods. Lufthansa called participation in the program a “highly expensive exercise,” but did not disclose how much it had spent on the certification.

US, Greece Sign Cargo Security Deal

The United States and Greece have signed a deal allowing US Customs and Border Protection inspectors to be installed at the Greek port of Piraeus to screen cargo headed for the United States, the Associated Press reported.

CBP commissioner Robert Bonner said a team should be in place at the port before the start of the Olympics, which will be held Aug. 13-29 in Athens, AP said.

Greece was the 18th country to sign up for the U.S. Container Security Initiative, allowing US agents to inspect cargo before leaving for the United States.

World Bank Plays Down Diesel Rules For Developing Countries

The World Bank is expected to recommend that developing countries hold off on mandating cleaner diesel fuel standards that are being adopted in the United States and Europe, the *Wall Street Journal* reported recently.

Although the World Bank does not have any official authority over a nation's environmental rules, it lends money for projects and its advice holds great influence, the *Journal* said.

The bank is expected to say in a report scheduled to be released shortly that it would be too expensive for many developing countries to mandate diesel fuel that is as low in sulfur as the blend US and European regulators are demanding.

However, the US Environmental Protection Agency said the report threatens to undermine the efforts of developing countries to reduce pollution, the *Journal* reported.

SOURCE: Transport Topics

Austrian Transporters Face Hard Times

The Eastward expansion of the EU has caused massive drops in revenue for many Austrian road transport companies. According to statements by the professional association for goods transport, at least 800 haulers are affected, individual cases even reporting drops in turnover amounting to 60%. The association fears that 10–15% of Austrian transporters will soon be forced to close down.



The reason: Eastern European companies, by virtue of lower wage rates and lighter tax load, are able to offer their services at prices up to 30% lower than their western counterparts. With the same argument as in Germany, Austria's traders are demanding an immediate reduction of vehicle taxation and, in the medium term, the leveling of competition conditions.

SOURCE: International Transport Journal

High Demand Leaves Oil Vulnerable to Disruptions, Price Spikes

The International Energy Agency said the global oil-supply system will be vulnerable to disruptions and price spikes in the next several months, the *Wall Street Journal* reported.

The energy watchdog said oil demand in 2004 has grown by 2.3 million barrels a day to 81.1 million, the steepest annual increase since 1980.

Meanwhile, the margin of spare production capacity appears to have fallen below 2% of demand for the first time since the oil crises of the 1970s. Last year, that level was about 4%, IEA said.

Hill Panel to Review HOS Rules

A congressional panel will reexamine the government's revised truck driver hours-of-service regulations, focusing on exemptions to the rule, some of which are included in the 6-year transportation bill pending in Congress.

The House Transportation Committee's highways subcommittee will hold hearings on the issue, with testimony from government witnesses and representatives of trucking, safety organizations, and industry groups.

Price Discrimination in Internet Sales No Longer a Problem in EU

In December 2003 the Commission decided to request further information from 18 European airlines about price differences for tickets on the basis of national residence, especially in Internet travel sales (IP/03/1786). Thanks to the Commission initiative, these price differences have mostly disappeared.

In December 2003, the services of the Commission wrote to 18 European airlines, asking each of them whether it charged different prices for exactly the same ticket depending on the customer's country of residence, and if so, why.

The initiative of the Commission services was in response to an increasing number of complaints from citizens who felt that they had been discriminated against when buying plane tickets, especially via the Internet. Airlines typically used the postal address or the credit card address to determine the residence of a customer. Depending on the country of residence, some then quoted different prices. Price differences were as high as 300%.

The complaints received by the Commission concerned identical tickets. The contested price differences were thus not linked to the date of purchase, the possibility to change one's reservation or to any other service feature that could explain varying costs. The price differential seemed to be exclusively linked to the place of residence of the buyer.

By the end of April, the Commission had received answers from 16 airlines among the 18 which it contacted. Although most companies indicate that they do not have any restrictions in place, several carriers have admitted that there may have been restrictions in the past, but that these restrictions have now been eliminated. Test bookings show that indeed most of the restrictions observed last year do not exist anymore. The Commission will continue to monitor the situation to ensure that price discrimination on the basis of residence will not occur again in the future.



Traveling in the New EU

Ten nations — Poland, the Czech Republic, Hungary, Slovakia, Slovenia, Malta, Cyprus, Latvia, Lithuania, and Estonia — officially joined the European Union on May 1. EU entry will have a far-reaching impact on those countries' economies and cultures. But what does the expansion of the EU mean for travelers to the region?

With enlargement will come improvement in the standard of living, as well as in the quality of goods and services, including hotels, restaurants, and ships. Though this means that prices will gradually rise, travelers will benefit from increased choice and better service. The eventual introduction of the euro to these countries, which some experts predict will take 3 years or more, should keep prices competitive by making it easier for travelers to comparison shop from country to country.

Visitors will benefit the most from improved ease and comfort in transportation. The new members will have access to billions of dollars in EU structural and cohesion funds, a portion of which has been allocated for an ambitious overhaul of the transportation system, including new roads, high-speed rail links, and airports. Some of the projects in the planning stages, according to Ad Toet, at the Community of European Rails, include a rail link from Warsaw to the Baltic countries, an express train from downtown Warsaw to Frederic Chopin Airport, and an upgrade of Budapest's train network.

There seems to be only one downside to expansion: These countries will likely become more Westernized as they join the global economy, a process already well under way. "There's a risk that this will cause a certain loss of originality and authenticity with a shift toward internationalism and standardization," said Eric van Dyck, president of the European Union of Tourist Officers. The underlying message: Visit these countries now, to catch the last vestiges of regional character.



DOT: Air Freight Is the Fastest Growing Cargo Segment

The value of air freight moved in the United States is \$2.7 billion a day, and has doubled from 1993 to 2002 to become the fastest growing segment of the cargo industry, according to a new report from the Department of Transportation's Bureau of Transportation Statistics.

Between 1993 and 2002, the total amount of freight transported in the United States grew 18% to 16 billion tons, and the value of that freight grew 45% to \$10.5 trillion.

Of that amount, trucking moved 64% by value and 58% by weight, BTS said. The report also said almost \$1 out of every \$13 shipped in the United States was for a shipment of that required an air-truck combination.

SOURCE: Transport Topics

Air Security: Commission Decides on Staff Screening at EU Airports

The Commission adopted new legislation establishing a common definition of critical parts of security restricted areas at EU airports. The purpose is to oblige, for the first time, airport staff to undergo security screening checks when entering security-sensitive zones of airports.

"This is another key step in enhancing security for flights departing from EU airports. Not only is this measure raising standards across the EU as a whole, but it is also pioneering high standards internationally in this domain. It is right and proper that airport staff should undergo at least the same levels of security checks as passengers," said Vice President Loyola de Palacio.

The new Commission regulation aims at defining what parts of an airport should be deemed as "critical parts" for the purposes of higher levels of security. All staff entering such security-sensitive areas would be required to be screened.

In the view of the Commission critical parts should at least include those areas of an airport containing screened departing passengers and their cabin baggage, and screened departing hold baggage that has not been sealed. Where bags have been sealed in such a way as to prevent their being interfered with, they then may be handled by unscreened staff.

This definition does not seek to fix rigidly areas in a uniform way at all airports. Rather, it allows for a flexible approach both in time and in space, where the critical part is viewed as a moving envelope around the screened passengers and screened baggage as they proceed to the aircraft.

This approach will allow more flexibility based on operational needs, while still requiring that the integrity of previously performed security checks is maintained. Member states will have a maximum of 5 years to apply the regulation in full.

The measure will make the European Union countries among the few in the world that lay down stringent staff screening requirements for airport staff.



Expanding to the East

The race to expand air service in Europe is on even if most of the cargo action is on the ground rather than in the air.

Hong Kong-based Dragonair's appointment of a cargo general sales agent in Eastern Europe was a sign of the careful moves non-European carriers are making to take advantage of the expansion of the European Union.

The airline, which flies 747-300 freighters to Amsterdam, Frankfurt and Manchester, named Globe Air Cargo as its general sales agent for Austria, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, and Slovenia. Dragonair plans to route shipments from the new EU countries to its gateways over the ground.

Several Asian airlines have added cargo sales capabilities in the former Eastern Block countries but most are restricting expansion of operations to a few passenger flights.

Cargo capacity is being added, however, in the form of Russian-built freighters that had been registered in Eastern Europe and now fall into EU registry.

Instoneair became the latest charter company to put a Russian freighter on the European market, basing an AN-74 in Shannon, Ireland, with an eye on markets such as Europe's racehorse transport trade.

SOURCE: Angela Greiling Keane, writing in TrafficWorld

European Air Cargo Programme

At the end of April, the International Air Transport Association (IATA) in Geneva began dispatching the new Cargo Intermediary Agreement and the European Air Cargo Programme (EACP) handbook to the central offices of the IATA freight forwarding agents.

FIATA (International Freight Forwarders Associations) recommends that companies belonging to its member associations sign the new contract.

For the first time, the contract takes into account the dual function of freight forwarders as agents and consolidators by using the term “intermediary,” and also of the EU regulations on competitions. These stipulate that there should be no exclusivity clauses or trading restrictions. Observance of the fundamental rules of free competition became necessary when IATA lost its antitrust immunity within the EU on May 1.

The EACP was jointly developed by the airlines and FIATA and will be monitored by the EACP Joint Council. It will be financed by contributions from the airlines and freight forwarding companies. It is essentially a nonprofit concern.

SOURCE: International Transport Journal

New Security Measures Taking Shape

In early July the Transportation Security Administration launched its Registered Traveler pilot program. By submitting to finger or iris scans, registered travelers can avoid screening delays by passing through special checkpoints. The program currently is being tested in Minneapolis-St. Paul International Airport and is expected to roll out at Los Angeles International Airport the latter part of July. By the end of August, the program also will be offered at George Bush Intercontinental Airport/Houston, Boston Logan International Airport and Ronald Reagan Washington National Airport.

EU and US to Share Passenger Data

The European Union and the United States entered into an antiterrorism agreement to collect and share data on passengers flying between the United States and the EU.

Under the three-and-a-half year agreement, the US Department of Homeland Security will access and store 34 kinds of information on travelers in order to screen out potential terrorists and members of organized crime groups.

According to officials, the department will filter and delete information revealing a passenger’s race, religion or health status, such as requests for special meals or disability accommodations.

The agreement also authorizes the Transportation Security Administration to use some of the data for testing CAPPS II, pending authorization of the controversial screening program



Ensuring Safe Travel

The first step to ensuring your safety abroad, whether as a tourist or business professional, is to “understand that you are at risk and may very well be targeted for attack by terrorists or common criminals,” write David Katz and Ilan Caspi, authors of the new book, *Executive’s Guide to Personal Security* (John Wiley & Sons, 2004). The duo laments the lack of personal security training provided by nongovernment organizations, even in this current world climate. Their easy-to-read chapters cover everything from the importance of pre-travel research to vehicle safety measures, receipt of mail to hotel safety and security. Do you know which floor is considered the “safest” at a motel? (The second.) Why should you become sensitive to surveillance techniques? Because criminals and terrorists “do not commit resources to an attack until they have acquired extensive information relative to the likely success or failure of a strike.” While you may feel paranoid just reading the book, its advice and research are worth serious consideration by travelers to any country.

Dollar Fall Slashes Lufthansa Cargo Profits

A fall of 35% in the value of the dollar against the euro punched a major hole in Lufthansa Cargo's financial results in 2003, according to Peter Conway.

It turned what would have been a 64 million euro (US\$78m) 2.7% rise in revenues into a 189 million euro (\$232m) 8% decline for the world's biggest cargo airline.

The currency effect helped slash profits to just 16 million euros (\$19m), compared to 133m euros (\$163m) in 2002 once exceptional items such as the 2002 sale of the airline's stake in DHL have been stripped out.

The results would have been worse without sharp control of costs. Expenditure in all five cost areas — personnel, charter, maintenance, flight and handling costs, and fuel — fell during the year, leading to a 5.9% cut in costs overall. This was achieved by introducing more flexible remuneration, some layoffs, lower maintenance costs due to fleet renewal, and a slight decline in fuel price. Some 66% of Lufthansa Cargo's costs are in euros, while 62% of its revenues are in foreign currency.

Without the currency effect, Lufthansa Cargo had a sluggish year, holding its ground despite the SARS and Iraq turbulence but not powering ahead. Traffic fell 1% to 7,089 million freight-tonne-kilometers, which was broadly in line with the other major European carriers, while volumes were largely steady at 1.6 million tonnes.

Despite LH Cargo's high profile price cutting in the German market toward the end of the year, average prices, after currency effects, increased slightly, said the company.

Lufthansa Cargo's three focus areas in the year ahead will be Europe, Eastern Europe (including Russia), and Asia, with emphasis on China. Other possibilities are freighter routes into China.

In Brief ...

Cargo 2000, the interest group of airlines and forwarders pushing global standards for handling air freight, is on a recruiting drive for Asian freight forwarders. Air cargo industry recruiters staged the first Cargo 2000 "roadshow" in Asia after similar efforts in Europe and North America. The first event was in Singapore and subsequent ones are planned for Seoul and Tokyo later this year.

Online Help for Travelers

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If you're planning a business trip to a place you've never been before, it's a good idea to do a little research. One good information source is Bradmans Travel Guides (<http://www.bradmans.com>). Bradmans has in-depth guides to most major cities and countries worldwide. Want to know a good restaurant in Abu Dhabi? The best way to get to Moscow from the airport? How much to tip in Switzerland? You'll find all these answers at Bradmans. Just click on the name of your destination, and you'll find a detailed guide. Click on "hotels" or "restaurants" at the top of the page, and you'll find information on where to eat and spend the night in that city. A visit to Bradmans will ensure your trip is a successful one.

(This is copied from the newsletter *Really Useful Sites for International Trade Professionals*, a biweekly email publication of FITA—The Federation of International Trade Associations.)

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Use Europebyair.com (<http://www.europebyair.com>). This nifty site focuses on offering travelers the best deals in air travel, plus the tools to plan and book every aspect of an air flight within Europe. Europebyair.com can get you to nearly 150 European destinations, with hundreds of routes to choose from. You can book your trip online, and then reserve a hotel room and rent a car. This is one site that helps you to get the most from your travel budget. And also don't forget the new bargain airlines in Europe. Ryanair (<http://www.ryanair.com>) and EasyJet (<http://www.easyjet.com>) offer major European destinations for fares as low as 1 euro!

The European Union: HHGFAA Members Weigh In

Universal Express Relocations Sp. z o.o. (Poland)

The admission of 10 new members including Poland to the European Union on May 1, 2004, is certainly of major political and economic significance worldwide. It brings under one umbrella about 450 million people with similar cultural, educational and historical backgrounds. Although the range of contrasts in some areas within this group of nations can still be rather substantial, the European Union is by any definition an economic power of immense global importance.



Most significant, however, is that in its present form the European Union represents the final seal of approval to removing the barrier that was set up in Europe nearly 60 years ago, following the Second World War — the Iron Curtain between the West and the East. In fact, the unification to a great extent follows the recent addition of new members to the North Atlantic Treaty Organization (again including Poland), and these two events opened up the borders and facilitated the movement of people, services, and goods.

Consequently the changes that took place in Central and Eastern Europe in the last decade or so, and in particular the very latest developments, should give a considerable boost to all segments of the moving industry in the area.

Ever since the demise of communism there has been a marked increase in the moving business in the ex-satellite countries, and likewise the standard of services began to improve. This latest territorial expansion will significantly strengthen this trend and in fact will accelerate industry growth by leaps and bounds.

The reason for this optimism is based on several contributory elements:

- Historically the Polish population and that of the whole area has in general lacked mobility; in fact, Poles were rooted to their origins and even if they wanted to move they were often prevented from doing so by outside factors of a political and economic nature. Today this is changing, and the new Central/Eastern Europe — now free and quickly adapting to Western standards — is generating new forces in the marketplace and is rapidly discovering and developing fresh areas of activity.
- The traditional international moving industry takes on a new dimension with no frontiers (and hence no customs), thus making operating within the European Union much easier. Mobility is further enhanced by gradual removal of employment restrictions among the various member countries and, above all, by the influx into the area of foreign capital and resources.
- All this assists in overall expansion of activity in most fields — business, industry, learning, and agriculture, to name a few — and stimulates national progress and accumulation of wealth. This in Poland has translated into a need for personal relocation services on an unprecedented scale both for local, intracountry and international transfers of expatriate residents and a rapidly growing number of Polish citizens, many of whom, incidentally, are now being posted abroad.
- Considerable foreign investment in the area has also brought about a big demand for office moves and industrial packing and transport, all of which require specialized skills. This forced local moving companies — including Universal Express Relocations — to modernize their equipment and introduce up-to-date handling methods and operational systems.

Altogether, the Polish accession to the European Union certainly represents a major step toward a bigger and better moving industry in the country, to the benefit of all concerned.

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End Near for Conferences?

By Peter T. Leach

It's beginning to look as if the European Commission will do away with the blanket exemption it grants liner shipping companies from its antitrust and price-fixing laws. If the ending of the exemption comes suddenly, it could touch off a free-for-all on the Atlantic as carriers vie with each other to offer the lowest freight rates — great for shippers, but not so for carriers' bottom lines.



Europe's intent to end the exemption that permits carriers to maintain rate-setting conferences is made clear in a preliminary report of the findings of the EC's Competition Directorate, which Brussels has tasked with investigating whether the exemption should be continued. The newly issued report states that the Competition Directorate (known in Europe as DGComp) will probably recommend abolishing the block exemption granted to liner conferences from EC antitrust law when it submits its final report to the EC this fall.

DGComp's intent is clearly stated in its newly released discussion paper summarizing the findings to date of its review of Regulation 4056/86. That is the 1986 regulation through which the EC confirmed antitrust immunity for shipping conferences on grounds that they provide a public benefit by stabilizing rates and ensuring reliable service.

"DGComp considers at this stage that it would be justified to propose legislation leading to the withdrawal of the current BE (block exemption) for price fixing and all restrictive practices of liner conferences," the paper states. It also said it would propose bringing maritime cabotage and tramp services under EC antitrust rules.

SOURCE: Adapted from an article in The Journal of Commerce

The next 5 to 6 months will be critical in demonstrating the EU's Antitrust Directorate why liner shipping companies should continue to enjoy their block exemption from the EU's antitrust law, according to David G. Jeffries, general manager of the Trans-Atlantic Conference Agreement.



"The EU authorities have stated that they want hard evidence to demonstrate the benefit of the block exemption. Thus we've been asked to demonstrate why the exemption should not be abolished," he said. The EU review of carriers' antitrust immunity is being carried out at the best of Mario Monti, director of the Competition Directorate, who has repeatedly invoked the Organization of Economic Cooperation and Development's 2002 staff report calling for the end of the conference system.

"The liner industry is prepared to participate in the review, but it wants a fair hearing," Jeffries said. "The conference system allows freedom of choice and action within a competitive environment. Without it, service quality will soften and prices will become more volatile."

If the European Union decides to end the block exemption carriers enjoy from antitrust and price-fixing regulations, then Canada, which now follows the US regulatory model, is likely to also end that immunity.

SOURCE: The Journal of Commerce

France Faulted in Maritime Inspections

The European Commission brought an action against France seeking a declaration that, by inspecting only 14.1% and 12.2% of the foreign vessels which entered its ports during 1999 and 2000 respectively, the French Republic had clearly failed to fulfill its obligation under Article 5(1) of Directive 95/21, requiring each Member State to carry out an annual total number of inspections corresponding to at least 25% of the number of individual ships entering its ports during a representative calendar year. Failure to fulfill that obligation leads inevitably to an increased risk of maritime accidents and therefore to loss of life, as well as to sea and coastal pollution.



The French authorities stated that they suffered constraints in their use of human resources and the organization of their services, since the number of inspectors able to carry out the inspections required by the directive fell from 70 to 54 between 1994 and 1999. The budgetary and recruitment efforts made since that time have made it possible to increase the inspection percentages by a substantial proportion.

In the Commission's view, the lack of staff claimed by France was not sufficient justification for its failure to fulfill the obligations under that provision.

The Commission said that in 2001 only 9.63% of the vessels that entered French ports were inspected.

Investor Group Sells Horizon Lines

The Carlyle Group signed an agreement to sell Horizon Lines to another private equity firm for \$650 million, more than double what Carlyle paid CSX for the 16-vessel ocean transport operator little more than a year ago.

A Horizon official said the sale to Castle Harlan will have no impact on Charlotte, N.C.-based Horizon's operation. He added that "The management, vessel personnel, staff, schedules and routes will remain as is. With new investors, however, we anticipate growth and improvements to meet the challenges of world trade.

Carlyle acquired an 84.5% controlling stake in the business formerly known as CSX Lines from CSX Corp. in 2003, spinning the ocean business off the railroad giant. That price was announced at \$315 million and the high premium in the new sale prompted Standard & Poor's to issue a warning on Horizon because of the potential high debt leverage in the deal. Credit analyst Kenneth L. Farer said, "If the acquisition is financed with a substantial amount of debt, Horizon Lines' credit profile may weaken."

Horizon Lines calls itself the nation's largest ocean transportation company, with 16 vessels providing ocean transportation and logistics services from the US mainland to Alaska, Hawaii/Guam, and Puerto Rico.

SOURCE: TrafficWorld

Mission Accomplished (Almost)

By Janet Plume

Construction continues on the first US-flag, pure car-truck carrier to be built in modern times, with an inaugural voyage to Hawaii expected during the first quarter of 2005.

Pasha Hawaii Transport Lines has chosen the private port of Benicia, Calif., as the West Coast home port for the 579-foot Jean Anne, which is under construction at the old Halter Marine yard in Pascagoula, Miss. The shipyard is now owned by Vision Technology Systems.

Capable of carrying 3,800 American-sized vehicles, the PCTC vessel is being built to fit the needs of automotive manufacturers, the rental car industry, and project-cargo customers of Pasha Group, a 75% partner in Pasha Hawaii along with 25% partner Strong Vessel Operators, a Stamford, Conn.-based ship operator formerly known as Van Ommeren Shipping USA. Strong received an award last March for its service to the Defense Department.

Pasha Hawaii's new direct service will call at several Hawaiian ports, with the exact port rotation to be determined as the delivery date nears. The service will run fortnightly, said Gayle Murphy Burns, manager of corporate marketing at Pasha Group. Pasha has enrolled the Jean Anne in the Voluntary Intermodal Sealift Agreement, which will allow it to carry DoD-shipped vehicles.

—SOURCE: The Journal of Commerce

How Will the Decision on Conferences Affect Shippers' Associations?

By Dennis Lordan, ISA General Manager

The review of the EU Competition Regulation for Maritime Transport is the latest and sharpest sword, poised to slay the Conference dragon. The Directorate General's Competition Commission will decide whether or not to abolish the conference system that allows ocean carriers to openly discuss, influence and set rate levels through collective bargaining. The final review will be completed by the end of the year. However, the General Counsel of the International Shippers Association (ISA) advises that the Commission's decision is subject to review and acceptance within the EU and further, that the antitrust immunity cannot be removed without a vote of each member nation and in turn would require a change to USA and other nations' legal statutes. He also states that he is aware that the liner operators serving the United States have established a lobbying group in an attempt to preserve the present antitrust immunity enjoyed by TAAFLO and other shipping conferences.



How will this impact shippers' associations and their members? Although it is too early in the process to have a definitive answer to this question, we need to anticipate the ramifications in order to prepare ourselves for impact in doing business in the future.

Using the International Shippers' Association as a model, the best guess, based on the review's discussion documents and other articles on this issue, would project minimal impact to ISA and its members in the short term (through 2005).

The minimal impact theory is based on the following: First, whenever a decision of this magnitude is made, there is always a certain amount of time needed to implement it. Second, potential alternatives to a conference environment, if valid, may also be considered by the Commission. A suitable alternative may eventually be provided that could also minimize impact. Finally, the Association has proven its ability to negotiate fair agreements with conferences as well as individual service providers. The same holds true for other established shippers' associations in general.

ISA as an organization will continue to monitor the EU's decision on the status of conferences. We also will keep the ISA membership updated on all new developments and will properly prepare and educate ourselves in order to protect the interests of our members and the household goods forwarding industry.

West Coast Terminals to Extend Hours

Marine terminals in Southern California hope to ease port congestion by providing uniform, full-service terminal operations on nights and weekends. The Pacific Merchant Shipping Association said documents filed with the Federal Maritime Commission will authorize terminals to cooperate on the plan by the end of 2004. Under the proposal, terminal users would pay a fee for cargo moved by truck during daytime or peak hours. The fee would be an incentive to use intermodal rail service and to move containers at night or on weekends, when highway traffic is lighter. The terminals are responding to threats of state legislation to require more night and weekend operation.

SOURCE: The Journal of Commerce

EU Provides Loan for Rotterdam Terminal

The European Union's European Investment Bank is providing a \$245 million loan for construction of a container terminal at the Port of Rotterdam, The Journal of Commerce has reported. The loan will pay for construction of a quay wall and dredging for the EuroMax terminal, a joint venture between container line P&O Nedlloyd and ECT, the port's largest terminal operator. The companies will pay for construction and supply the terminal's equipment. Work will begin in the second half of 2005 and is scheduled for completion by the end of 2008. Initial capacity is listed as 2.4 million TEUs. Rotterdam handled 7.1 million TEUs last year.



Widening Atlantic Security

By Kathleen Hickey

Shippers should see faster handling of ocean shipments coming into the United States from Europe under an agreement to expand the anti-terror Container Security Initiative (CSI) across the European Union.

The agreement will bring ports from the United Kingdom to Eastern Europe into a voluntary program that already includes large gateways such as Rotterdam, Antwerp, and Hamburg. The US Department of Homeland Security's CSI is aimed at tighter screening of containers, from assessing shippers to x-raying the boxes, in a way that keeps low-risk shipments moving quickly through ports.

Ports are not required to take part in CSI but the agreement sets standards for their security programs for US-related trade and experts expect any ports that want to remain competitive to meet the CSI standards.

Governments on both sides of the Atlantic have a strong incentive for ensuring that transatlantic sea container traffic is subjected to the highest practical level of security checks without impeding the expeditious flow of trade, said Irish Finance Minister Charlie McCreevy.

The pact will include the EU's original 15 member countries and the 10 nations that joined in May, including Poland, the Czech Republic, Estonia, and Hungary.

Fourteen ports and eight member countries, representing about 85% of all maritime container traffic from the EU to the United States, already had agreed to participate in CSI so the agreement effectively sets a basic standard across Europe.

The shippers that will see the most improvements are those using large freight forwarders on a single technology platform for customs clearance.

Although several of Europe's larger ports have their CSI programs in place (in 2002, the Port of Hamburg x-rayed 16,000 containers out of 6 million), officials say there remain bugs in the security. Some complain that government agencies are mandating progress without understanding the details.

The European Commission is considering new regulations of its own and many individual countries are looking at new laws of their own.

Some of the new regulations and standards may confuse customers, but most recognize that screening is a necessary evil.

Under CSI, maritime containers considered a risk to potential links to terrorists are identified and examined at foreign ports before they are shipped to the United States. Teams of inspectors screen the containers, which do not need to be screened again when they enter the United States.

There is also reciprocity: Countries can examine cargo at US borders going to their countries. Pre-screening speeds movements of containers as they arrive at US destinations, improving trade flow for shippers.

About 90% of the world's trade by volume is transported in cargo containers. Nearly 7 million cargo containers enter the United States each year.

SOURCE: *TrafficWorld*



Shippers Rank Ocean Carrier Quality

Inbound Logistics magazine recently reported that Maersk, APL and NYK Line are the leaders in trans-Pacific ocean carrier quality, according to a survey of shippers and forwarders who have identified what comprises quality in an ocean carrier partner. Respondents considered network and delivery the most critical performance factors, followed by price, then service and technology.

About 400 shippers and forwarders ranked quality performance factors, then scored the carriers against them. Maersk and APL rank number one or number two in the individual performance categories of network, delivery, service, and technology, with scores that are generally 10% to 20% higher than the industry average for these factors.

K Line, NYK Line, and OOCL emerge as the highest "value" carriers, based on the level of performance they provide for the price they charge. Survey respondents indicate that each of these carriers has above-average performance and non-price factors, and each was ranked close to industry average on a relative price ranking.

Mercosur EU move Toward Alliance; Could Have Impact on Port of Miami

After nearly 10 years of negotiations, the EU and the Mercosur nations of Argentina, Brazil, Paraguay and Uruguay plan to form an interregional association in October to liberate trade of goods and services. The new economic alliance aims to establish an interregional free-trade area and boost ties between Europe and the Mercosur nations. But it could hurt the Port of Miami, said one consultant, who noted, “If direct trade between the EU and Mercosur increases to the point that it justifies direct shipping lanes between Europe and Mercosur, as opposed to transshipments through Miami, the Port of Miami will suffer. This pact is a threat.”

The Mercosur nations have a competitive advantage in a wide range of agricultural produce, which comprises more than half of Mercosur’s total exports, while Europe is strong in industrial markets such as automobiles, telecommunications, and banking. Recent talks in Guadalajara, Mexico, showed negotiators from both sides were willing to make concessions.



SOURCE: The Journal of Commerce

GALILEO and GPS to Navigate Side by Side

The European Union and the United States concluded an agreement on GALILEO and GPS at the end of the Summit held in Ireland on June 26.

The agreement on the promotion, provision and use of the two satellite-based navigation systems and related applications that was signed by Commission Vice-President Loyola de Palacio and US Secretary of State Colin Powell, will allow each system to work alongside the other without interfering with its counterpart's signals and thus give a huge boost to users worldwide.

Vice-President Loyola de Palacio said: "This agreement will allow the European project GALILEO to become the world standard for civil and commercial use of satellite navigation; it will offer the best possible level of services to all users."

After more than 4 years of intensive talks, the results for GALILEO, and, more important, users of GALILEO and GPS worldwide, are highly satisfactory. The agreement confirms that GPS and GALILEO services will be fully compatible and interoperable and therefore makes the joint use of GPS and GALILEO and the manufacturing of equipment much easier and cheaper.

GALILEO has now become the de facto world standard of open signals in the GNSS mass market. GALILEO will not need to rely on a "GALILEO-only" user community; instead it will be instantly accessible and used by millions of people who today use GPS. This means that all users of satellite radio-navigation will be able to simultaneously, with only one receiver, use one or the other of the two systems, or both at the same time.

In addition of being the first civil system specifically dedicated to civil users, the additional feature of GALILEO is its commercial nature. The agreement with the United States does confirm the quick introduction of GALILEO in all user segments (mass market and professional) throughout the world. The market potential is indeed considerable: 3 billion receivers and revenues of some Eu250 billion per year by 2010 worldwide, and the creation of more than 150.000 high qualified jobs in Europe alone.



The European Union: HHGFAA Members Weigh In

EuroMove & Relocation

In general terms, becoming a member of the European Union means that the nation will adhere to the Union's rules. It further means that stability and security will be extended, which is a grand prize for Europe.

What will Hungary and our industry gain from the EU accession? First, Hungary will also take part in the decision-making processes, instead of having to adopt the decisions beyond our control. For the first time, Hungary will be sitting with decision-makers themselves.

The second major advantage is the opening of an enormous region, which will provide vast opportunities both for individuals and for entrepreneurs. The transport industry will greatly benefit from the free customs trade zones, avoiding the halts at the borders and therefore cutting down on the transportation time and costs.

A third key benefit will be the flow of funds from Western Europe to Hungary, which will represent a significant amount (EUR 5 billion) available for allocation during the first 3 years, the use of which will be carried forward several more years. Such funds can also be available through EU tenders. It will greatly help the local industry to strengthen its competitiveness, enabling it to compete with its Western European counterparts. However, the greatest challenge for the local industry is whether we will be able to take advantage of this opportunity.

Hungary stands well poised to be competitive, simply because it has always been a pioneer of the accession process. The Hungarian economy has a significant history of reforms; indeed, the changes brought about under our political/economic system began so much earlier that we shall obviously enjoy the resulting advantages.

Working within the new EU, road carriers should be familiar with and understand the relevant EU rules and regulations, as well as adapt to them. A remaining challenge will be actually getting into the competition.

As a result of the EU accession, Hungary will immediately find itself at a very specific geographical advantage. It will constitute the southeast corner of the European Union — the only country that will offer an exit to two neighboring regions: the Balkans, leading toward Turkey and the Middle East, and the CIS countries through the Ukraine, another gateway to a vast area.

Hungary certainly must seize advantage of its position, as an enormous flow of commercial goods will pass through these regions. It also means that we must guard and control part of the external borders of the EU; we will collect the relevant taxes and duties and check consignments. This will bring us some advantages, as one-fourth of the customs duties collected will remain in the country.

At the same time, we shall also face difficulties, as our situation will be completely different from that of the Czech Republic, for example, which will be inside the extended territory of the European Union. Our position will be more challenging, offering lessons to learn — but at the same time, it will be a more interesting and profitable one.



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5 Tips for Generating Better Public Relations

Generating free publicity is every entrepreneur's dream. Getting mentioned in the newspaper, in a trade publication, or on the nightly news is one way to make that dream come true. But before you sit down, draft a press release, and start mass-mailing it to every news outlet in your area, consider the following:

- **Find a newsworthy angle**—something that will interest and inform a publication's readers. Say you're releasing a new product. What's in it for consumers? What makes it different or unique? That's what editors and reporters want.
- **Do your homework.** Look for specific publications that might be interested in the type of story you have in mind. Then find out the names and phone numbers of the specific editors or reporters you will want to query with your story ideas.
- **Start with a phone call.** Before sending a news release, give the editor or reporter a call. Tell the person you have an idea for an article, then ask if they have time to discuss it or if you should call back at a more convenient time.
- **Offer your expertise** about a current hot topic. Contact the editor of your local newspaper, explain your interest and expertise in the area of the topic, and offer yourself as a resource for an article.
- **Make your company just a part of the story**—not the whole thing. If the story sounds too self-serving, it isn't likely to see the light of day.

6 Hot Tips for Making Your Sales Letter Sizzle

- **Begin with a compelling headline.** Use your headline to pique interest by asking a question, pointing out a key benefit, or introducing a special offer. Be creative, and have some fun.
- **Get to the point.** Let the reader know why you're writing - in the first paragraph. You can start with an interesting story or anecdote if that seems appropriate, but tie it back to your offer or the reason you are writing, so your reader knows why they should keep going.
- **Ask for a response.** Make it clear how you want the person to respond to the information you're presenting, whether that is with a phone call, an order, or a request for more information. If you are planning to follow up with a visit or phone call, let him know that, too.
- **Focus on the reader.** Explain your products, services, or offer in terms of benefits to the reader. Identify what's in it for him.
- **Revise, revise, revise.** And then revise some more.
- **P.S.** Always include one. It's the first thing read after the headline. Use your P.S. to restate your offer, highlight a benefit, or make a call to action.

Boost Your Credibility

Be yourself. Don't try to be what you think other people want you to be. Be yourself and stay true to the values you hold dear.

- **Keep your promises.** Few things damage credibility more than a broken promise. If you know you won't be able to deliver on a promise, let the person know ahead of time. Explain why you are unable to deliver, apologize for the mistake, and offer a more realistic delivery schedule.
- **Follow your own advice.** In other words, practice what you preach.
- **Share your expertise.** Expertise has a way of creating credibility. Offer your guidance in areas where you are strong, but try not to do so in a condescending or boastful way.
- **Listen carefully.** Listen to what people are telling you, and ask questions that will allow you to get to the heart of what is on their minds. Don't be afraid to say, "I don't know." You may feel embarrassed for a moment, but in the long run, others will appreciate your honesty. If you don't know the answer, find out.

The 'I's' Don't Always Have It

Self-confidence is essential in the business world. Self-centeredness is not. Arrogance can cost a salesperson a prize account or a manager a key employee. Here are some tips to help you keep your ego in check.

- **Focus on other people's needs.** Too often, we presume our needs and our clients' needs are the same. Try doing unto others what they would have you do, by asking them what they need.
- **Give credit where credit is due.** When employees go above and beyond to satisfy a client demand, let them know how much you appreciate their efforts. Share any positive comments you receive with your staff, and make sure your clients know whom to thank for the hard work.
- **Let your customers tell your story for you.** In business we often pump up our credentials and accomplishments in an effort to convince prospective customers that we are right for them. Testimonials and case studies from satisfied customers are far more effective, and humble, than tooting our own horns.
- **Share your experience ... not your resume.** If you're asked to speak at an event, don't speak only about yourself and your accomplishments. Instead, think of a way to weave your experiences into a speech that demonstrates how your audience members can overcome challenges they may face. People respond far better to real-world advice than self-centered puffery.

Experience is not what happens to a man. It is what a man does with what happens to him.

— *Aldous Huxley*

HHGFAA's 42nd Annual Meeting: A Preview

HHGFAA's 42nd Annual Meeting in San Diego, California, will be held on Oct. 13–16, 2004. This beautiful city, situated on the Pacific Coast, has been a favorite meeting destination for decades.

In this issue and the upcoming Annual Meeting issue (September/October), The Portal offers a wealth of information to entice you and guide you toward making the most of your experience!

FAQ: Frequently Asked Questions about San Diego

What is the sales tax rate for San Diego?

The sales tax rate for San Diego is 7.75%.

Are any of the shopping malls accessible by public transport?

Most San Diego County shopping malls are easily accessible using public transportation.

What is the customary amount to tip to reward service?

A reward for service is common in the United States. In restaurants it is customary to tip 15% of the bill or 20% for above average service. No tips are necessary in cafeterias with self-service. At hotels and airports at least \$1 to \$2 per bag or suitcase is suggested for the bellboy or porter. Taxi drivers are usually tipped 15% of the fare.

Are there any outlet centers in San Diego County?

Popular outlet centers are located throughout San Diego County offering name-brand clothing, housewares, appliances and more at low factory outlet prices. Many prices at these outlets beat run-of-the-mall retail by as much as 40%.

As an international visitor can I claim a refund on sales tax?

Unfortunately, California sales tax is non-refundable and cannot be reclaimed on departure.

How can I tour a Navy ship?

For surface ship open house, telephone 1-619-532-3130. Old Town Trolley Tours conducts a tour of North Island Naval Station on Friday mornings (reservation required).

What is the 59-Mile Scenic Drive?

The 59-Mile Scenic Drive is a perfect introduction to a unique and exciting city. The route can be driven in approximately three hours, but please allow additional time for sightseeing along the way. If you have the time, you should devote a full day for your excursion. Visit www.sandiego.org for a map and route planner.

Where can I obtain information about hiking trails in San Diego?

To the outdoor enthusiast San Diego County is truly paradise, with near perfect weather and a diverse landscape — including beaches, mountains, deserts and rural backcountry to choose from. At 5,700 acres, Mission Trails Regional Park is one of the largest urban parks in the United States. Anza Borrego Desert State Park, the largest State Park in California, provides visitors with outdoor beauty, wildlife, and desert flora. Cuyamaca Rancho State Park, with 26,563 acres of alpine meadow, forested mountain peaks and some 110 miles of hiking trails is another popular destination. Palomar State Park, with its spectacular views of the Pacific ocean, is also well worth a visit, while the San Diego County Park System offers a variety of parks and lakes for your enjoyment. *(Following is information on some of the area's attractions. See the September/October issue of The Portal for other entertainments.)*

ARTS AND CULTURE

Inspired by its surroundings and cherished by residents and visitors, a thriving arts and culture community blossoms in this paradise. With two Tony® Award-winning theatres, over 90 museums, music for all tastes, innovative dance, festivals showcasing our ethnic diversity, foreign films, science, natural history and Balboa Park, the San Diego region is a treasure, colored with influences from our neighbor, Mexico. There, you will find everything to ensure that your mind, your palette and your soul are enriched!

MEXICO

San Diego is situated just 30 minutes north of the international border. A short car ride or trolley trip will put you in festive Tijuana. Here, you can explore the colorful shops and bazaars, try to strike a few bargains and enjoy authentic Mexican cuisine.

WELCOME TO THE BEACH

The beach is more than a boundary dividing land from sea, more than a place to swim or sunbathe. In San Diego, the beach is a way of life, a source of pride and joy, a defining influence in people's lives. For some, the mere memory of a mid-summer sunset melting into the Pacific is reward enough. Others have a more intimate relationship with the sea: surfing and sailing, biking and running, swimming and diving along San Diego's many coastal beaches and bays. Whether you're a first-time visitor or life-long resident, enjoy the beach!

You will also discover why the Travel Channel and locals in-the-know call Coronado Beach one of America's best.



SAN DIEGO GOLF

Golf Digest named San Diego one of the top 50 golf destinations in the world. There are over 90 courses located throughout the San Diego region, from seaside settings to desert mountains to inland valleys. Numerous San Diego courses have been designed by leading golf course architects including Tom Fazio, John Miller, Alister Mackenzie, Pete Dye, Ted Robinson, Robert Trent Jones, and more. With a wide range of courses, there is a course for every type of golfer and a range of greens fees that will fit every budget. Add in San Diego's temperate climate (average year-round temperature is 70-degrees) and year-round play is yet another benefit of this golfer's paradise.



ATTRACTIONS

- **SeaWorld San Diego** recently opened the largest attraction in its 40-year history, a multimillion-dollar project that includes a wet and wild thrill ride and a new dolphin exhibit. “Journey to Atlantis” is based on the tale of the “lost city,” offering guests the chance to step aboard an eight-passenger Greek “fishing boat” and take a 6-minute journey that includes a 60-foot plunge and a heart-pounding G force drop. Against a backdrop of the sunken city visitors will hear a soundtrack of dolphin calls and view a 130,000 gallon tank where, after the ride, they can get up-close and personal with exotic Commerson’s dolphins - a small, black and white South American species known for its speed and agility. For more information, call 1-866-SHAMU-FUN, or visit www.seaworld.com
- Born August 19, 2003, Mei Sheng, the **San Diego Zoo**’s new male panda cub, is continuing to grow and prosper. One of three giant pandas at the zoo, the cub joins her mother Bai Yun and father Gao Gao. The San Diego Zoo is one of only four facilities in the United States to house critically endangered Giant Pandas and the only US zoo to successfully breed, birth and rear healthy cubs. For more information, call 619-718-3000, or visit www.sandiegozoo.org.
- The San Diego Zoo’s **Wild Animal Park**’s new lion exhibit is scheduled to open in August 2004. It will feature a naturalist environment with panoramic views of lions lounging in the grasslands while antelope and giraffe mingle and rhinoceros relax in a neighboring watering hole. Pedestrians can come face-to-face with lions, much closer than ever before. Also returning in summer 2004 is Dinos!, the popular display of life-size robotic dinosaurs that captured the imagination of park goers in years past. For more information, call 619-718-3000, or visit www.sandiegozoo.org.
- Guests who purchase a 2004 SeaWorld Fun Card can visit the adventure park as many times as they like during 2004. The cards are available online at www.seaworld.com, or by calling 866-SHAMU-FUN.
- The San Diego Convention & Visitors Bureau’s web site now offers a Fabulous Four Combo option for guests who wish to purchase discounted attraction tickets online. The package includes one-day admission to the San Diego Zoo, San Diego Zoo’s Wild Animal Park, LEGOLAND California and SeaWorld San Diego. The cost for the Fabulous Four Combo is \$127.95 for adults and \$102.45 for children. For more information or to purchase tickets, visit www.sandiego.org.



Coming Up in the Next Issue of
The Portal

Ethics and Etiquette:

Doing the Right Thing . . . Doing Things Right

Considering the news from the corporate business world about the likes of WorldCom, Arthur Anderson, ENRON and Martha Stewart dominating the headlines lately, it seems fitting to review what constitutes good business and personal ethics.

Also, considering the diverse cultures that comprise our ever-expanding global community, every business person had best be familiar with the proper etiquette and idiosyncrasies of how business is conducted in various cultural and busicircles around the world.

With that in mind, the Annual Meeting issue of *The Portal* will focus on providing some informational and educational insight into both of these areas. HHGFAA members are invited to submit comments or articles of interest that relate to these subjects. Your submission may be article length or a brief comment. **Deadline: September 10.** Please send to:

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Advertise in the Annual Meeting Issue of THE PORTAL!

It's that time of year again — so prepare to take advantage of a great opportunity to reach your colleagues who attend the 2004 Annual Meeting in San Diego, California. You can purchase a one-time advertisement in *The Portal* for the September/October 2004 issue, which will be printed in additional quantities and made available to attendees at this singular industry event. For more information, contact Bel Carrington at bel.carrington@hhgfaa.org or by phoning him at (703) 684-3780. **But hurry— deadline for receiving ads is September 10, 2004.**

A look at the people and events shaping HHGFAA member companies

APPOINTMENTS

Frank Newhard has joined **Interstate Worldwide Relocation** as vice president of corporate account services, and will lead corporate development strategy for the organization's relocation services, logistics/special products and international divisions.

In his new role, Newhard will use his 20-plus years of experience in solutions selling and management to extend existing and develop new commercial account relationships in the Washington, D.C., metropolitan area. Newhard and his sales team will market the full range of Interstate's services, including relocation services, logistics, and special products services, international services, and the company's more widely known local and long-distance moving and storage.

Newhard previously worked at Hewlett Packard (formerly both Compaq and Digital Equipment), where he retired after a 32-year career. For his last 5 years at Hewlett Packard, he served as vice president and general manager for the Eastern Region for HP Services, with responsibility for attaining \$800 million of revenue and managing a 2,000-person global services organization, encompassing customer support, systems integration and managed services business.



A-Cross Corporation in Tokyo, Japan, has appointed **Mark W. Wilcox** to the position of marketing manager. Wilcox has over a decade of international business development experience and will be responsible for all sales and marketing activity for the company there.

A native Californian, Wilcox has spent the last 10 years living in Japan, Europe, and the United States, where he held positions in sales and marketing and operations for Fortune 500 companies and foreign concerns.

Website: <http://www.a-cross.jp/>



The **Doree Bonner International Group** has named **Stephen Bonner** to the position of international projects and development manager for the group. Bonner's role within the group will be to further expand the international side of the business in both import and export. He will also be looking at and developing specific new projects for the group.

It was Stephen's grandfather, Len Bonner, who founded Bonners of Welling in 1929. This family-run removals company served the local community for 60 years until it was purchased in 1989 by Doree's Removals. Doree Bonner International Group was born and has become one of the UK's largest removals operators since it was in turn acquired by Kelebray Ltd. in 1994.

Bonner's career in removals began when he was just 18, when he joined Bonners Movers in 1976, although he had always worked in the various departments during his school holidays. A year after the business was sold to Doree's Removals, he left to join the Pantechnicon Group as its group manager. In 1992 he joined Excess Baggage PLC as their managing director. He expanded the company's international removals and baggage business and developed its airport and rail operations before he took up his new role with the Doree Bonner International team.



It has been a long time coming, but **Asian Tigers K.C. Dat** now welcomes home **Gordon Bell** after a sabbatical of 16 years with Asian Tigers Transpo Malaysia and Thailand and 7 years with the P&O Group and Four Winds in Hong Kong. Bell, who began his career in the moving industry as a paper shredder with K. C. Dat, is returning to Singapore as the new Managing Director. He replaces **Eric Lim**, who will remain as Chairman, but will work alongside Bell to steer the company into the future.

Bell left Singapore, his country of birth, to follow a path through Hong Kong and Thailand. Over the last 12 years he set up and then managed the highly successful Asian Tigers Transpo office in Kuala Lumpur, Malaysia. The move to Singapore is full-circle for Bell and his family, and the pinnacle of an impressive career within the Asian Tigers Group. Not that he is thinking about retirement—he faces a challenging market and will be working hard to continue K.C. Dat's 40



Gordon Bell and his predecessor as Managing Director, Eric Lim.

years of success.

The role will involve close coordination and support of John Lim (Group General Manager) and Robbie Heng (General Manager Household Goods) as part of an extremely experienced and vibrant team.

In a related move, **Peter Karlsson** has moved from Taiwan to Malaysia, as the new country manager. **Rich Wright**, an Asian Tiger newcomer with extensive industry experience in Taiwan, replaces Karlsson.



Suddath Military, one of the country's largest providers of moving and relocation services to military and government agency personnel, has named **Amy Brewer** manager of agency development and **Gary Dootson** manager of quality assurance and government transportation.

Brewer will be responsible for the Priority Shipment Program, maintaining and developing relationships with military base personnel, and assisting in the creation of the Families First Program. She will also work to expand Suddath Military's agent network throughout the United States and develop marketing plans and activities.

Dootson, who has more than 30 years of industry experience, will manage the quality assurance department. Additionally, he is responsible for providing new employee orientations, driver orientations and workshops along with filing interstate and intrastate rates, annual carrier approvals, changes in military regulations and tariff updates. Since joining Suddath Military nearly 2 years ago, Dootson has helped the quality assurance department to increase its market share.



As part of its aggressive growth strategy and objective to become India's leading service provider in move management, relocation, fine art handling, records management and logistics services, the **Star Worldwide Group** has recently welcomed several new team members at their New Delhi corporate office:

Aditya Jindal has joined the company as manager—relocations and takes overall charge of the move management and relocation services at Star. Prior to joining Star, Jindal was with Allied Lemuir Group, and has over 10 years of experience in the service industry, including a 2-year stint in Nairobi, Kenya.

Paramjit Bawa has taken over as manager—business development, to spearhead the sales and marketing efforts of the Group. He has over 14 years of experience in international marketing and will be responsible for framing the strategies required to achieve the growth targets of the Group in both the short and long term.

Pradeep Tandon has re-joined Star as manager—operations and logistics. He had earlier worked with Star Worldwide as warehouse manager, and left in 2000 for assignments in the Gulf and Africa before returning to the fold in 2004. He will be heading the Group's logistics and supply-chain management activities.

IN MEMORIAM

Charles M. Darmanin

Charles M. Darmanin, longtime head of Capitol Transportation in Puerto Rico, passed away on July 6 in San Juan. A founding member of LACMA, Mr. Darmanin, known to his friends and colleagues as Charlie, was a well-known figure throughout the moving and storage industry and a regular participant at industry events.

In accordance with Mr. Darmanin's wishes, his family took his ashes to his birthplace, Malta.



TRANSITIONS

Acorn International Forwarding Co. recently announced the retirement of its president, **Duncan S. Kimball**. Kimball had served as Acorn's president since the company's inception 17 years ago. Under his leadership, Acorn has become one of the premier companies in the DoD Personal Property Program with a reputation for quality and service.

At 66, however, Kimball felt that it was time to transfer ownership of the company and enter retirement. Negotiations commenced and Acorn hereby announces the purchase of its shares by **Houman Razi**, who assumes the position of president after several years of experience in the same industry.

Acorn's main goal is to continue providing the same quality and service to the DoD and commercial sector as well. Moreover, Acorn looks forward to contributing positively to HHGFAA and the industry as a whole.

EXPANSIONS

Doree Bonner International opened a new sales office in Edinburgh in October 2003, following the spectacular success that Doree Bonner enjoyed in its first year in Glasgow under the direction of Scotland's director, Colin McGregor. Due to the phenomenal success the Edinburgh office has experienced since then, they are now relocating to a new, larger facility to house a fully operational, stand-alone branch. This new facility covers an impressive area of 10,000 square feet and will become a stand-alone operation with its own fleet within the very near future.

Currently three staff members are employed by Doree Bonner International to run the Edinburgh operation: Simon Swales in the position of branch manager, Colin Fields as sales manager and Karen Rafferty as office manager. Three vehicles have been deployed and the first three operative teams have been employed and trained.

Geoff Watson, Managing Director of Doree Bonner, commented, "Our strategy had always involved acquiring a business in Edinburgh, and when we were unable to do so we had no hesitation in starting from 'scratch.' This continued expansion into Scotland is testament to the excellent ongoing performance of our staff, and our integrity as a company as a whole. We are relishing the increased opportunity to assist our existing clients in Edinburgh, and to further develop both our commercial and overseas operations."



Doree Bonner Edinburgh sales office relocates to bigger premises

Star Worldwide at the "Edge of Desire"

Star Worldwide is India's leading fine art handling company and has regularly been entrusted with some of the prestigious art events, in India and overseas.

Star Worldwide's fine art handling division was recently awarded the distinction of being appointed by the Art Gallery of Western Australia to oversee all of the fine art handling and transport management of artworks (paintings, sculptures and installations) by contemporary Indian artists to be shipped to Perth, Australia, for the "Edge of Desire" exhibition to be held from September 2004 to January 2005.

This was a logistically daunting task involving about 30 lenders/artists, each with different types of artworks, in 10 cities across the length and breadth of India, some of them quiet remote with difficult access. Star Worldwide organized and coordinated the collection, packing and crating, collection, consolidation and transportation of all the exhibits to Perth ahead of schedule, collecting several expressions of gratitude and satisfaction along the way from the organizers.

From Perth, the exhibition will move to selected venues in the USA, eventually to return to India sometime in 2006, and Star Worldwide will be involved in the logistics of this major event right up to its conclusion.

Interstate Hosts School Strings Group

Fairfax County Public School's School Business Partners, Interstate Worldwide Relocation and Flint Hill Elementary School, teamed up for a musical production.

On June 2, the Flint Hill Elementary School Sixth Grade strings performed at Interstate's corporate office in Springfield, Va. The 35-member orchestra, including several soloists and duets, performed a plethora of songs, for the enjoyment of their audience of Interstate employees.

Following their impressive performance, the group toured the facility, hosted by Bud Morrissette, the COO of Interstate. To finish up their visit, the students were treated to a pizza lunch in Interstate's community room.

Atlantic Worldwide Donates Container For Children in Africa

Atlantic Worldwide Movers recently sent to KwaZulu-Natal a full 20-ft. container of clothing, toys, furniture, special needs equipment, a piano and other musical instruments, and hundreds of books.

Project Zisize is a De-Beer/DTC group charity whose aim is to build a new school facility in KwaZulu-Natal. The year-long project is culminating in a school building that is due to be completed in June of this year.

The container supplied by Atlantic also included children's school tables and chairs supplied by donations from various schools.

Atlantic, in partnership with De-Beer/DTC, supplied and provided the packing and freight for the container.

Sharon Gordon of Atlantic said, "We were very proud to be able to support such a well deserved cause in a part of Africa which has no running water or electricity."

During the loading of the container the charity spirit was definitely in the air as Gordon was able to persuade an overzealous traffic warden not to put a ticket on the container lorry at the DTC headquarters.

The foundations for the new education center have now been laid and over £30,000 has been raised. Children in the area will very soon have an education facility that will enable them to begin an education for the first time.





Human Body Soccer—Weber-Vonesch Style

International removals company **Weber-Vonesch AG** in Zug, Switzerland, recently organized a human body soccer championship, as a fun way to celebrate the teamwork it enjoys with its customers. The customers and their employees were encouraged to participate in the event, held one week before the final European soccer games started in Portugal.

Instead of conventional table soccer, the game was played on a 10 meter-by-17 meter playground in front of the company's headquarters building. The eight players on each team were human — not plastic — and had to hold the iron pole throughout the game.

The result was a fun-filled afternoon for both spectators and players. The 12 teams consisted of men and women, with and without any athletic abilities. The turnout exceeded the company's expectations for this first-of-its-kind tournament.

Participants were able to frequent the champagne bar, sample some barbecue, and tour the inside and outside of the warehouse. A Caribbean steel band added to the festive mood.



The European Union: HHGFAA Members Weigh In

Voerman UTS Prague

Voerman UTS Prague is an international moving company based in Czech Republic.

The Czech Republic's joining the European Union will bring significant changes with regard to customs formalities and required documents for EU citizens who want to work and live in the Czech Republic. Effective May 1, there has been a free flow of goods within the European Union, thus resulting in less paperwork related to transport of goods. I expect that companies might find it more attractive than before to set up business activities in the new EU countries, which in turn will result in more opportunities for our industry.



*Wiene van den Brink
Voerman UTS Prague*

+420 272 700 652/1 • E-mail: wvdbrink@voerman.cz

Doree Bonner Sponsors Bath Rugby's Young Player of the Year

May 13 saw the annual Bath Rugby Club end-of-season award ceremony, which gives top-performing players special recognition and commendations. About 390 people attended the black tie event, held at the stunning Pavilion in Bath, to celebrate the magnificent strength and spirit of the team, its coaches, trustees and staff.

Among the notable sponsors was **Doree Bonner International**. Nick Earle, general manager of the group's site in Corsham, was there to present the Doree Bonner "Young Player of the Season" award to 21-year-old Matt Stevens. Also there to represent the group and join in the festivities were Paul Perry, operations manager in Corsham, Gordon Lyall, joint managing director, Nigel Smith, company secretary, and Dave Shove, head of office and commercial moving.

Last year's recipient of the award, Olly Barkley, won top try scorer. Other winners of the evening included Rob Fidler (clubman of the year), Lee Best (community player), Michael Lipman (best defensive player), Andy Beattie (most improved player), Alex Crockett (biggest hit), Zak Feaunati (best forward), and Martyn Wood (best back). Steve Borthwick won the top award of Player's Player.

Managing Director Geoff Watson noted, "Doree Bonner International was extremely proud to sponsor the 'Best Young Player' award. We have been located in Bath for over 5 years, and have built up a close connection with the club in that time. This in turn raises our profile in the local area has provided a closer association to community."



Davies-Turner Delivers Books to Iran

Davies Turner handled delivery of books for the Tehran International Book Fair for the 17th consecutive year. Davies Turner moved the books to publishing houses in the United Kingdom. The freight services provider moved seven trailers of books and display materials and more than 2 tons of air freight.

The European Union: HHGFAA Members Weigh In

KLG EESTI AS

A lot of changes are in store on the customs side. It is very easy to handle shipments between EU countries, but all shipments coming from third countries require double customs checking. As gasoline prices are rising very rapidly — up to 20% in Estonia's first week as an EU member — all trucking costs are going up as well. Estonia's electronic customs system was working well, but now we must use a EU electronic customs system, which represents a step back.



People moving from EU countries to the Baltic states, especially private individuals, must be very careful with respect to taxation, because Estonia has implemented a lot of changes in its tax system and right now even the tax officers are not familiar with those changes. The same is true with respect to transport invoices between moving companies. It is still not clear whether or not you must add a Value Added Tax on moving invoices.

Moving partners inside the EU have great potential to handle shipments without our help in Estonia, but the opposite is true as well. All trucks coming through Poland and Lithuania must take great care with pets, food, and wines. Customs is not necessary, but veterinary controls are present at borders.

We hope Estonia's accession to the EU will bring more work, because a lot of investments are coming into Estonia. Naturally this means more international moving. On the other, hand prices will rise and now major manufacturers are looking to east for cheap labor and energy. Of course, at first step this will means more business, but after that will come a quiet period.

Perhaps Estonia will now become more visible as a country. Indeed, a lot of people abroad heard about Estonia for the first time when it joined the EU.

*Ala Alar Lõhmus
KLG EESTI AS
Peterburi tee 34
11415 Tallinn
Estonia*



Young Professionals

“Leadership Through Innovation”

YP-35 Election 2004: Get Involved!

Two Positions Are Up for Election — All YP-35 Members are Eligible

Chairman

- Appoint YP-35 Management Board
- Conduct YP-35 Management Board meetings/Annual Meeting
- Conduct YP-35 Membership meetings (one per year at the HHGFAA Annual Meeting)
- Sit on Executive Committee of HHGFAA and attend three Executive Committee meetings annually
- Sit on Alan F. Wohlstetter Scholarship Committee
- Maintain YP-35 Chairman's Page on the YP-35 Website

Vice Chairman

- Assist Chairman in appointing YP-35 Management Board
- Sit on Alan F. Wohlstetter Scholarship Committee
- Oversee the design and content of bi-monthly YP-35 *Portal* page and advertising
- Organize and coordinate YP-35 functions/events at HHGFAA Annual Meeting
- Act as liaison between HHGFAA administration and members with respect to membership issues

PLEASE NOTE

Calls for nominations for YP-35 Chairman and Vice Chairman closed August 1.

Information on the electronic voting process and the candidates running for office will soon be e-mailed to all YP-35 members in good standing.

The online election must commence 45 days preceding the Annual Meeting, with the voting ending 30 days after commencement. The voting results will be announced at the Annual Meeting.

* Annual Meeting Update * San Diego, California

YP-35 events scheduled:

October 14, 1:00–2:00 p.m.
Board Meeting

October 14, 2:00–3:00 p.m.
YP-35 Membership Meeting

October 15, 9:00–11:30 p.m.
Reception
(Offsite location to be announced)

Membership Only US\$100.00
WWW.YP-35.ORG

It is up to members of YP-35 to maintain current data on the Website.
Log in and verify your information; please make sure that your birth date is listed!

Contact Heather@TrueNorthRelocation.com if you have difficulty logging onto the Website.



Georgia Angell
President
Dell Forwarding
HHGFAA Chair

On behalf of the Household Goods Forwarders Association of America, Inc., I want to extend a warm welcome to those who are new to our organization.

NEW ASSOCIATE MEMBERS

Ace International Moving

Bolotnaya 14/1, 3rd Floor, Office 5
Moscow 113035, Russia

Tel: (7) 095 953 4540

Fax: (7) 095 951 3377

E-Mail: office@ace-intl-moving.com

P.O.C: Mr. Pitchuguin Valley

Sponsors: Gibergues, France

Max Jacobi International, Germany

Aerostar Moving & Shipping, Inc.

14553 Delano Street, Suite 100

Van Nuys, CA 91411

Tel: (818) 997-3227

Toll Free (877) MOVE-ONE

Fax: (818) 997-3228

E-Mail: info@aerostarshipping.com

P.O.C: Tony A. Aviani

Sponsors: Gamma Shipping, Italy

NY International Shipping, NY

All Continent Transport Inc.

2370 Walkley Road

Ottawa, Ontario, K1G 4H9, Canada

Tel: (613) 526-3065

Fax: (613) 526-1138

E-Mail: jgoulet@allcontinent.com

P.O.C: Mr. Jean Goulet

Sponsors: Guardian Overseas Shipping Ltd,
Canada

Ability Moving Transfer Ltd, Canada

Barrett Moving & Storage

N8 W22270 Johnson Drive

Waukesha (Milwaukee), WI 53186

Tel: (262) 896-0300

Toll Free: (800) 388-0282

Fax: (262) 446-4706

E-Mail: mike.johnson@barretts.com

P.O.C: Mike Johnson

Sponsors: Euroamerica Group Inc., MD

EuroUSA Ltd International Moving, England

Centran International Corporation (Thailand) Ltd.

3388/91 Sirinrat Bldg, 25th Floor

Rama 4Rd

Klongton Klongtoey

Bangkok 10110, Thailand

Tel: (662) 665-6022-23

Fax: (662) 259-3386

E-Mail: hijang@cic.co.th

P.O.C: Mr. Ho Ik Jang

Sponsors: Pumex International Movers Ltd, Korea

Sea Road Trans Corp., Korea

Chess J. Wilson Removals

48-50 Assembly Drive

Tullamarine Victoria 3043, Australia

Tel: (61) 3 9335 1154 • Fax: (61) 3 9335 3773

E-Mail: melbourne@chessmoving.com.au

P.O.C: Mr. David Dawson

Sponsors: Chess T rans National & Worldwide

Movers Pty Ltd, Australia

Chess Hanley's Removals Pty Ltd, Australia

Falcon Freight Forwarders

D-10 Pocket-A, Vikas Puri Extn.

New Delhi 110 018, India

Tel: (91) 11 3210 6092 • Fax: (91) 11 2328 1507

E-Mail: roberoi@falconforwarders.com

Website: www.falconforwarders.com

P.O.C: Romii Oberoi

Neer Service France, France

Executive Moving Systems, Inc., VA

Inter Grace Movers (M) Sdn. Bhd.

41, Jalan U1/30, Hicom Glenmarie Industrial Park

40000 Shah Alam

Selangor D.E. Malaysia

Tel: (603) 5569 4908 • Fax: (603) 5569 4910

E-Mail: move@intergrace.com.my

P.O.C: Mr. Shanmuganathan

Sponsors: Rhema Movers Pte Ltd, Singapore

Royal Relocations, Malaysia

Intermove GmbH

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Tel: (49) 89 189 3860

Fax: (49) 89 189 38630

E-Mail: arne.voell@intermove.de

Website: www.intermove.de

P.O.C: Arne Voell

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Security, DC

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Otahuhu Auckland, New Zealand

Tel: (64) 9 276 9541

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P.O.C: David Cole

Sponsors: Movements Intl Movers, Australia

DAP International, England

MTL Moving Transport Logistics

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Tel: (49) 6031 16173-0
Fax: (49) 6031 16173-18
E-Mail: info@mtl-umzuege-de
P.O.C: Alfred J. Arndt
Sponsors: Carl Hartmann, Germany
Paramount Transportation Systems, Inc., CA

McRelo

Brueder-Grimm-Str. 11
68259 Mannheim, Germany
Tel: (49) 621 7994 9970
Fax: (49) 621 7994 9976
E-Mail: info@mc-relo.de
P.O.C: Susanne Michel
Sponsors: Interdean.Interconex, Germany
AW Transportation, PA

Moveware Pty Ltd

12 Queens Avenue
Hawthorn VIC 3122, Australia
Tel: (61) 3 9816 2770
Fax: (61) 3 9816 2770
E-Mail: mail@moveware.com.au
P.O.C: Dean Kent
Sponsors: Nuss, Australia
King & Wilson, Australia

Mudanzas Diagonal, S.L.

Poligono Ind. Moli Dels Frares, Calle "C"
Nave 5, 08620, Sant Vicenc Dels Hosrts,
Barcelona, Spain
Tel: (34) 9367 24484
Fax: (34) 9367 24486
E-Mail: info@mudanzasdiagonal.com
P.O.C: Benito Serrano Cantos and
Mr. Toni Aguilar
Sponsors: De Marti, S.A., Spain
SIT Transportes Internacionales, SA, Spain

Palmer Moving & Storage

24460 Dequindre
Warren, MI 48091
Tel: (586) 834-3400
Toll Free: (800) 521-3954
Fax: (586) 834-3414
E-Mail: shirleym@palmermoving.com
P.O.C: Shirley Moncman
Sponsors: North American International, IL
Team Relocations, England

P.M. Packers & Movers (P) Ltd.

26/1 Nicholson Road, Diamond Point
Silch Village
Hyderabad 500 009 (Secundrabad), India
Tel: (91) 40 5517 5017
Fax: (91) 40 2775 0006
E-Mail: pmhyderabad@packersindia.com
P.O.C: Mr. Kunal Lodge

Salem Freight International

P.O. Box 44256 - Hamdan Street
Al Saman Tower
Abu Dhabi, UAE
Tel: (971) 2 627 7333
Fax: (971) 2 626 2669
E-Mail: johnny@sfi-dxb.co.ae
P.O.C: Mr. Johnny Chalen and
Ms. Bassima Al Amin
Sponsors: Mazha Group, Syria
Stevens International Forwarders Inc., WA

Universal Express (Germany) GmbH

Hermann-Klammt Str. 3,
41460 Neuss, Germany
Tel: (49) 2131 527 2525
Fax: (49) 2131 527 2529
E-Mail: t.sasha@universal-express.de
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Additional Copies of <i>The Portal</i> (1-year subscription)	80.00	96.00
Defense Transportation Regulations Part IV (replaces the PPTMR)	40.00	55.00
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Rate Solicitation I-15 	45.00	60.00
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OR, fax with credit card information to (703) 684-3784**

By Jim Wise
PACE-CAPSTONE



Another Roadblock for Transportation Act

Conferees on the surface transportation bill have put off the measure until September. Officially, the two sides are about \$19 billion apart on the 6-year authorization, but in practical terms they are much closer.

The Senate, meanwhile, cleared a short-term extension of the current transportation law July 24 after daylong negotiations in both chambers over details of the measure.

The bill (HR 4916), passed by the House earlier in the evening, would extend federal highway programs through Sept. 24 and other transportation programs, such as public transit, through Sept. 30.

It is the fifth extension Congress has passed since the 1998 highway and transit law (PL 105-178) expired Sept. 30. The current extension was due to expire July 31, while Congress is in recess.

Don Young (R-AK), chairman of the House Transportation and Infrastructure Committee, sought to use the temporary extension bill to preserve \$2.2 billion in fiscal 2004 funds as a contingency fund for member projects included in the pending reauthorization. But he ran into objections from fiscal conservatives in both the House and Senate, and the plan was dropped from the final version of the extension bill.

House conferees on the 6-year authorization bill (HR 3550) on presented — but did not seek a vote on — a \$298.9 billion proposal that a top House negotiator said would get President Bush's signature. But although it might have been acceptable to the Administration, it got an icy reception from many of the conferees.

The House offer was not put to a vote. Instead, staff members for the two sides will spend the recess assessing the impact of a \$298.9 billion funding level on such issues as the share of funding each state would receive.

"All of us agree this is not adequate," House Ways and Means Chairman Bill Thomas (R-CA) said at the meeting, but "most important, the president will support it and the president will sign it."

Young said that although the offer fell far short of the \$375 billion over 6 years that he proposed last year, "in reality, this is what we must accept at this time."

Conferees have been trying to settle on a total amount that the House, Senate, and White House can agree on before tackling details of the legislation. The Senate passed a \$318.9 billion measure in February and proposed that figure in conference. The House version of the bill would authorize \$283.2 billion, and its latest offer comes close to splitting the difference with the Senate.

The Bush Administration proposed a \$256 billion bill and had been adamant about that figure until recently, when administration officials indicated the White House might agree to spend more as long as the measure would not raise taxes, increase the size of the deficit or rely on federal borrowing.

Sen. James M. Inhofe (R-OK), the conference chairman, on July 20 had suggested that the conferees consider working with \$301 billion.

Several conferees expressed concern that a bill authorizing about \$300 billion would not solve problems such as providing money for what lawmakers consider priority projects and ensuring that states that are net donors to the Highway Trust Fund — they contribute more in taxes than they receive for highways — will get back at least 95% in the future.

"I don't see how we can accommodate the Senate's objectives and the House objectives" under this funding level, said Rep. William O. Lipinski (D-Ill.)

Defense Appropriations: Measure Becomes First Fiscal 2005 Spending Bill to Move to President's Desk

A \$418 billion defense spending package was headed to President Bush's desk July 24 after becoming the first appropriations measure of the year to clear Congress.

The conference report on the fiscal 2005 bill (HR 4613 — H Rept 108-622) would provide \$391.2 billion for the Pentagon's core budget, a 7% increase over the fiscal 2004 budget and just \$1.6 billion shy of the total requested by Bush. It also includes \$25 billion in emergency spending for war operations in Iraq and Afghanistan.

The war money will be available when Bush signs the bill — a major reason why GOP leaders pushed hard to clear it before departing for a 6-week recess and the national party conventions.

Indeed, senators were so eager to wrap up their work that they jumped ahead of the House, adopting the conference report on a 96-0 vote pending adoption by the other chamber. That came a little more than an hour later on a 410-12 vote.

Sen. John McCain (R-AZ) said another factor in fast-tracking the defense measure was that it included counterterrorism funding. The speedy approval "is clearly because of the threat of a terrorist attack," McCain said.

The lone dissenter was Robert C. Byrd of West Virginia, the ranking Democrat on the Senate Appropriations Committee. He lamented a "massive explosion in defense spending" under Bush that has increased the Pentagon's core budget 36% in 4 years. But after venting his frustration, Byrd voted in favor of adopting the conference report.

The measure would fund most of Bush's defense agenda, but would not provide everything he sought. All but \$2 billion of the \$25 billion war fund is restricted to specific accounts, denying the president's request to have nearly unlimited latitude to spend the money. The measure also would trim Bush's request for two of the Pentagon's major "transformation" efforts, the Army's Future Combat System and the Air Force's Space-Based Radar.

UPS, FedEx See EU Benefits

UPS Inc. and FedEx Corp, the two biggest American package carriers, say they have adapted their technology and trained their workforce with the addition of 10 countries to the European Union in May.



Both carriers said they had to modify billing procedures to include the new countries and train employees to handle new business. FedEx said the larger EU will allow the company to move packages in the EU countries, improving service by about a day.

UPS, which has been working with EU countries to streamline procedures, is taking a conservative approach at revenue growth, and sees the best results after a year or so.

US-based package carriers still face competitive problems in foreign markets. Foreign carriers benefit from monopoly operations and varying degrees of regulatory and customs barriers when competing with US express carriers overseas, according to a report prepared for the US House Ways and Means Committee.

In a report issued in April, the International Trade Commission said that expanding US carriers faced restrictive laws, regulations and customs rules that delayed the premium shipments and curbed competition. The ITC found that everything from telephone service to warehousing delayed US shipments.

Congressman Cooks for HHGFAA Members

Recently a contingent of HHGFAA members including HHGFAA President Terry Head and members of the Association's Executive Committee attended a political fund raiser in San Diego, California for Congressman Duncan Hunter (R-CA). The event was a breakfast where the Congressman and some of his key staff cooked and served pancakes for about 900 constituents.

Congressman Hunter is Chairman of the Armed Services Committee of the US House of Representatives and is a strong advocate for the industry.

Christiane Crown of Island Forwarding, who Co-Chairs the HHGFAA Government and Congressional Affairs Committee, worked right along side a number of volunteer "servers" including the Congressman's grandson, Duncan Lee Hunter, or as he is already know in political circles "Little D."

Han Helder of Crystal Forwarding and Ella Helder of Classic Forwarding, were the proud winning bidders of an apron personally autographed by the Congressman. The monies from several auctioned items went to support a number of local charities and nonprofit organizations the Congressman supports.

Dick DeWitt had graciously invited the Executive Committee and other industry participants to attend as his guests and covered the cost for two full tables at the event. The Executive Committee was in San Diego for one of its regularly scheduled board meetings, as well as advance planning and preparation for the upcoming HHGFAA Annual Meeting to be held in San Diego Oct. 13-16. Congressman Hunter has been invited to be the Keynote speaker at this year's Annual Meeting.



Here are a few Websites of interest to HHGFAA members. NOTE: All are preceded by **www**, and many are linked to the HHGFAA Website.

IMPORTANT NOTE: Websites and e-mail addresses shown on this list include ONLY those for certain government agencies, and companies whose ads appear in *The Portal* or the HHGFAA Annual Directory, who sign up as sponsors for HHGFAA's Annual Meeting, or who are featured in a story in this issue of *The Portal*.

HHGFAA: hhgfaa.org
 24-hour Cargo Rule: nntl.org/new/24hrrule.pdf
 7M Transport: 7m-transport.com
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 AES Cargo: aescargo.com
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 Air Animal: airanimal.com
 Airport Terminal Maps: mapquest.com
 APA Worldwide: apaworldwide.com
 Arrowpak: arrowpak.co.uk
 Asian Tigers: AsianTigersGroup.com
 Bradmans Travel Guides:
 fita.m.xtenit.com/ct.jsp?uz663502Biz402808
 Brazil Worldmover: brazilmover.com
 Business Etiquette:
 executiveplanet.com/community
 Careline Int'l: careline.ie
 Confianca Moving & Storage:
 confiancamoving.com
 Covan World-Wide: covan.com
 Crystal International: crystalinternational.com
 Customs Service C-TPAT Program:
 customs.ustreas.gov/enforcem/tpat.htm
 DeHaan Removals: dehaan.nl
 DeWitt Trans. Services of Guam: dewittguam.com
 Doree Bonner: doreebonner.co.uk
 EasyJet: easyjet.com
 Empresa de Transportes Galamas: galamas.pt
 EUROPAGES: europages.com
 Europe By Air: europebyair.com
 EUROUSA: the-eurogroup.com
 European Union sites of interest:
 • EU VAT: eurunion.org/legislat/VATweb.htm
 • Roadmap for EU-US Regulatory Cooperation:
 europa.ue.int/comm/enterprise/enterprise_policy/gov_relations/internatl_regul_coop_eu_us/index.htm
 Executive Insurance Services: execinsurance.net
 Executive Moving Systems: thebestmove.com

Federal Maritime Commission: fmc.gov
 Flight and Airport Information: www.faa.gov
 Freight Analysis Framework:
 ops.fhwa.dot.gov/freight/adfrmwrk/index.htm
 Freight Int'l: freightinternational.com
 Fukuoka Soko Co.: fukuokasoko.com/moving
 Garcia Trucking: garciatrucking.com
 Gateways Int'l: gatewaysinternational.com
 Globalink: globalink.kz
 Global Int'l Moving: globalinternational.com
 Global Security Updates:
 airsecurity.com/hotspots/hotspots.asp
 Gosselin Worldwide Moving: gosselin.be
 Green Liner: greenliner.com
 Guardian Services Inc.: moveassist.com
 Homeland Security Department:
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 HR2B Relocations: hr2b.com
 IAL Nigeria: ial.com.ng
 Interem: freightsystems.com
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 Internet Hoaxes: hoaxbusters.ciac.org
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 Iraq Maps: http://news.bbc.co.uk/nol/shared/spl/hi/middle_east/03/v3_iraq_key_maps/html/military_operations/1.stm
 Jet Lag Cures: stopjetlag.com
 JVK Movers: jvk-movers.com
 La Rosa Del Monte: larosadelmonte.com
 La Vascongada, S.L.: vascongada.com
 Links Relocations: linksasia.com
 Lykes Lines: lykeslines.com
 Magna Int'l Movers: magna.co.za
 Maps: <http://plasma.nationalgeographic.com/mapmachine>
 McGimpsey Removals: mcgimpseys.com
 Metropolitan: metropolitantransports.com.br
 Military Traffic Management Command (MTMC):
 see Surface Deployment & Distribution Command
 Move One: moveone.info
 Mudanzas Trafimar: mudanzastrafimar.com.mx
 National Van Lines: nationalintl.com
 NEER Service: neerservice.com or neerservice.fr
 New Haven Moving Equip.: newhaven-usa.com
 Official Airline Guide: oag.com
 OMB Contract Bundling Report: acqnet.gov
 Orbit M&S: orbit-kazoulis.com
 Orient Pacific Int'l: opimovers.com.tw
 Outaouais Moving: outaouaismoving.com
 P.M. Packers & Movers: packersindia.com
 Pac Global Ins. Brokerage: pacglobalins.com
 PAIMA: paima.com
 People Finder: AnyWho.com
 Phoenix Transport Services: phoenix-transport.de
 Planes Inc. planesmoving.com
 Raffles Movers Int'l: rafmover.com.sg
 Remove Me Now!: removemenow.com
 Rhema Movers: rhemamovers.com.sg
 Ryanair: ryanair.com
 San Diego: sandiego.org

- SeaWorld San Diego: seaworld.com
- San Diego Zoo: sandiegozoo.org
- Santa Fe: santaferelo.com
- SBA Solutions Newsletter: <http://web.sba.gov/list/>
- Schenker Stinnes Logistics: schenker.bg
- SecurePort Conference: secureport2004.com
- SEM Movers: sem-movers.com
- Simpsons Removals & Storage:
simpsons-uk.com
- SIT Transportes Internacionales: sit-spain.com
- Small Business Administration Advocacy Office:
sba.gov/advo
- Small Business Guide to Exporting:
<http://www.sba.gov/OIT/info/Guide-To-Exporting/index.html>
- Small Business Survival Committee: sbcs.org
- Spam filter software: cloudmark.com
- Sterling Int'l Movers (UK): sterlingmovers.com
- Surface Deployment & Distribution Command:
sddc.army.mil
- TechMate: TechMateIntl.com
- TG International: tginternational.com
- The eXternal Revenue Svce. of The Day
Companies: xrsnet.com
- The Guardian Svcs Group: guardianservices.com
- Tower Movers: towermovers.com
- Transmove: trans-move.com
- Trans Movers Worldwide: centrin.net.id/tranmove
- Transcontainer: transcontainer-group.com
- Trans-Link Express: translink.co.th
- Transpack Packing & Frt. Fwd: Transpack.com.pk
- Transportation Security Admin: tsa.dot.gov
- Emergency hotline: tsa:hqcac@tsa.gov
- Transworld Int'l Movers Brazil:
transworldmovers.com.br
- Travel Health Resources:
• cdc.gov/travel
• tripprep.com
• istm.org
• sosinternational.com
- Travel Safety: travelindicators.com
- Tumi Int'l Movers: tumimovers.com
- UniGroup UTS: unigroupworldwide.com
- Universal Express Relocations: uexgroup.com
- UPM Int'l: upm.com.pk
- US Department of Defense — Procurement
Report: acq.osd.mil/sadbu/
- US Department of State:
• Safety tips for travelers:
travel.state.gov/asafetripabroad.html
• Emergency numbers list for Western Europe:
healthcareland.com/sos/embassy_links
- US House of Representatives Small Business
Committee: house.gov/smbiz
- US Visas: unitedstatesvisa.gov
- Veron Grauer: veron-grauer.ch
- Visa Waiver Information: <http://travel.state.gov/vvp.html>
- Welti-Furrer: welti-furrer.ch
- Westbound Transpacific Stabilization Agreement
(WTSA): wtsacarriers.org
- Worldmover/Brazil: brazilmover.com
- YP-35: yp-35.org
- Zuhall: zuhallshipping.com

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Corstjens WW Movers: info@corstjens.nl

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Eurovan: info@eurovan.com

Executive Insurance Services:
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Executive Moving Systems:
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Freight Int'l: removal@emirates.net.ae

Froesch: info.berlin@froesch.de

Fukuoka Soko Co.: moving@fukuokasoko.com

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Global International Portugal branch:
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Gosselin Group: comm@gosselin.be

Green Liner: safetymove@greenliner.com

Guardian Services Inc.: info@moveassist.com

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guyotrad@networksgy.com

HR2B Relocations: ben.vo@hr2b.com

IM France: move@imfrance.com

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Intermove: move@Intermove.com

Intermud: intermud@guate.net

International Shippers Association.:
isamanager@comcast.com

Interport: sales@interport.com.sg

Inters &R: info@inters-r.com

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La Rosa Del Monte Express:
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Leader Pack: *leadpack@emirates.net.ae*
Links Relocations: *links@linksasia.com*
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National Van Lines: *info@nationalintl.com*
Neer Service: *info@neerservice.fr*
New Haven Moving Equipment: *nhmela@aol.com*
Nurminen Prima Oy: *Nurminen.Prima@co.inet.fi*
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Outaouais Moving: *ray@outaouaismoving.com*
Pac Global Ins: *sfuhrman@pacglobalins.com*
PACE—CAPSTONE: *jwisepace@aol.com*
PAIMA: *paima@sinfo.net*
Pelichet, S.A.: *international@pelichet.ch*
Phoenix Trans: *phoenix@phoenix-transport.de*
Planes Inc. *intl@planesunited.com*
P.M. Packers: *info@packersindia.com*
Portal Advertising: *bel.carrington@hhgfaa.org*
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RexMovers: *rexco@public.tpt.tj.cn*
Rhema East China Ltd: *rhema@pub.sz.jsinfo.net*

Rhema Movers: *general@rhemamovers.com.sg*
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S.E.A. Transport: *nevillesaunders@hn.vnn.vn*
SEM Movers: *semlover@indosat.net.id*
Simpsons Removals & Storage:
enquiries@simpsons-uk.com
SIT Transportes Intl: *sit.mad@sit-spain.com*
Sterling Int'l Movers (UK):
mail@sterlingmovers.com
T.A. Mudanzas: *tamoving@sol.racsa.co.cr*
TechMate Int'l: *Sales&TechmateIntl.com*
TG International: *webmaster@tginternational.com*
The eXternal Revenue Service of The Day
Companies: *tag@daycos.com*
The Guardian: *dvaughn@guardianservices.com*
Tower Movers: *enquiries@towermovers.com*
Transmove: *transmove@btinternet.com*
Trans Movers Worldwide: *nutrans@centrin.net.id*
Transpack Argentina: *info@transpack.com.ar*
Transpack Packing & Freight Forwarding Co.:
transpack@isb.comsats.net.pk
Transworld Int'l Movers Brazil:
transw@transworldmovers.com.br
Tumi International: *tumi@netrox.net*
United Prof. Movers: *Fazla@upm.sdnpk.undp.org*
Universal Express Relocations:
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UPM Int'l: *upm@isb.sdnpk.org*
Vanpac: *rauf@vanpac.edunet.sdnpk.undp.org*
Veron Grauer: *moving@veron-grauer.ch*
Welti-Furrer Ltd: *international@welti-furrer.ch*
Willis Corroon Trans. Risk Svces: *iris@willis.com*
Worldmover/Brazil: *worldmover@att.net*
YP-35: *lincmove@Blarg.net*
Zuhal: *zuhal@emirates.net.ae*

IMPORTANT NEW INFORMATION CONCERNING PORTAL Advertising Rates and Dimensions

Full Page \$ 2,550
7-1/2" wide x 10" high

1/2 Page \$ 1,350

- Horizontal format: 7-1/2" wide x 5" high
- Vertical format: 3-3/4" wide x 10" high

1/3 Page \$ 950

- Horizontal format: 7-1/2" wide x 3-1/4" high
- Vertical format: 2-1/2" wide x 10" high
- Box format 4-1/2" wide x 5" high

1/4 Page \$ 700

- Horizontal format: 4-1/2" wide x 3-3/4" high
- Vertical format: 3-3/4" wide x 5" high

1/6 Page \$ 425

- Horizontal format: 4-1/2" wide x 2-1/2" high
- Vertical format: 2-1/4" wide x 3" high

1/8 Page \$ 350

- Horizontal format only: 3-3/4" wide x 2-1/2" high

NOTE: Prices shown are the **total cost** for one year (six issues). For 2-color ad (black and burgundy or black and reflex blue only), add 10%. For 4-color ad (separations or electronic files must be supplied), add 25%.

Deadlines to receive new artwork:

September/October Issue September 10, 2004
(ANNUAL MEETING ISSUE)

November/December Issue November 10, 2004
January/February 2005 Issue January 20, 2005
March/April Issue March 15, 2005
May/June Issue May 20, 2005
July/August Issue July 15, 2005

IMPORTANT NOTICE ABOUT ELECTRONIC ADS

The Portal now accepts computer-generated files, graphics, and ads supplied on PC- or Mac-compatible floppy or Zip disks or CD-ROMs. **DO NOT SEND ADS BY E-MAIL.**

When providing electronically-generated advertisements, your disk **MUST** be accompanied by a printout showing what the ad should look like. **HHGFAA will not accept disks that arrive without a hard copy proof.**

In addition, advertisers must provide the following information along with the disk. Please use this checklist to ensure that you send everything that will be needed to accurately place your ad:

- Disk with ad (floppy, Zip, or CD-ROM)
- Printout or hard copy proof
- ___ 4-color ___ 2-color ___ black-and-white
- Note format: ___ PC ___ Mac
- Note program used to create the ad
 - ___ Quark: specify version _____
 - ___ PageMaker: specify version _____
 - ___ Corel: specify version _____
 - ___ Illustrator: specify version _____
 - ___ Other (specify): _____

PLEASE NOTE: **We do not accept ads created in Publisher.**



**For further information about Portal display advertising or classified ads,
contact Belvian Carrington at HHGFAA:**

2320 Mill Road, Suite 102 • Alexandria, VA 22314

Phone: (703) 684-3780 • Fax: (703) 684-3784 • E-mail: bel.carrington@hhgfaa.org

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Industry Calendar

Sept. 11–14, 2004

NDTA Forum 2004
Milwaukee, WI

Sept. 19–24, 2004

FIATA World Congress
Sun City, South Africa

Sept. 20–21, 2004

Military/Industry Meeting
Alexandria, VA

Sept. 24–26, 2004

Michigan Movers Association
Annual Conference
Traverse City, MI

Oct. 11–12, 2004

PAIMA Convention
San Diego, CA

Oct. 13, 2004

FIDI Academy Workshop
San Diego, CA

Oct. 13–16, 2004

HHGFAA 42nd Annual Meeting
San Diego, CA

Jan. 24–27, 2005

SDDC/Pacific 2005 Personal Property and
Passenger Training Workshop
Honolulu, HI

Feb. 22–25, 2005

GSA HHG and Freight Forum
Philadelphia, PA

April 16–19, 2005

AMSA Annual Convention & Trade Show
Grapevine (Dallas), TX

Sept. 10–14, 2005

NDTA Forum 2005
San Diego, CA

Sept. 11–25, 2005

FIATA World Congress
Moscow, Russia

Oct. 22–25, 2005

HHGFAA 43rd Annual Meeting
Washington, DC