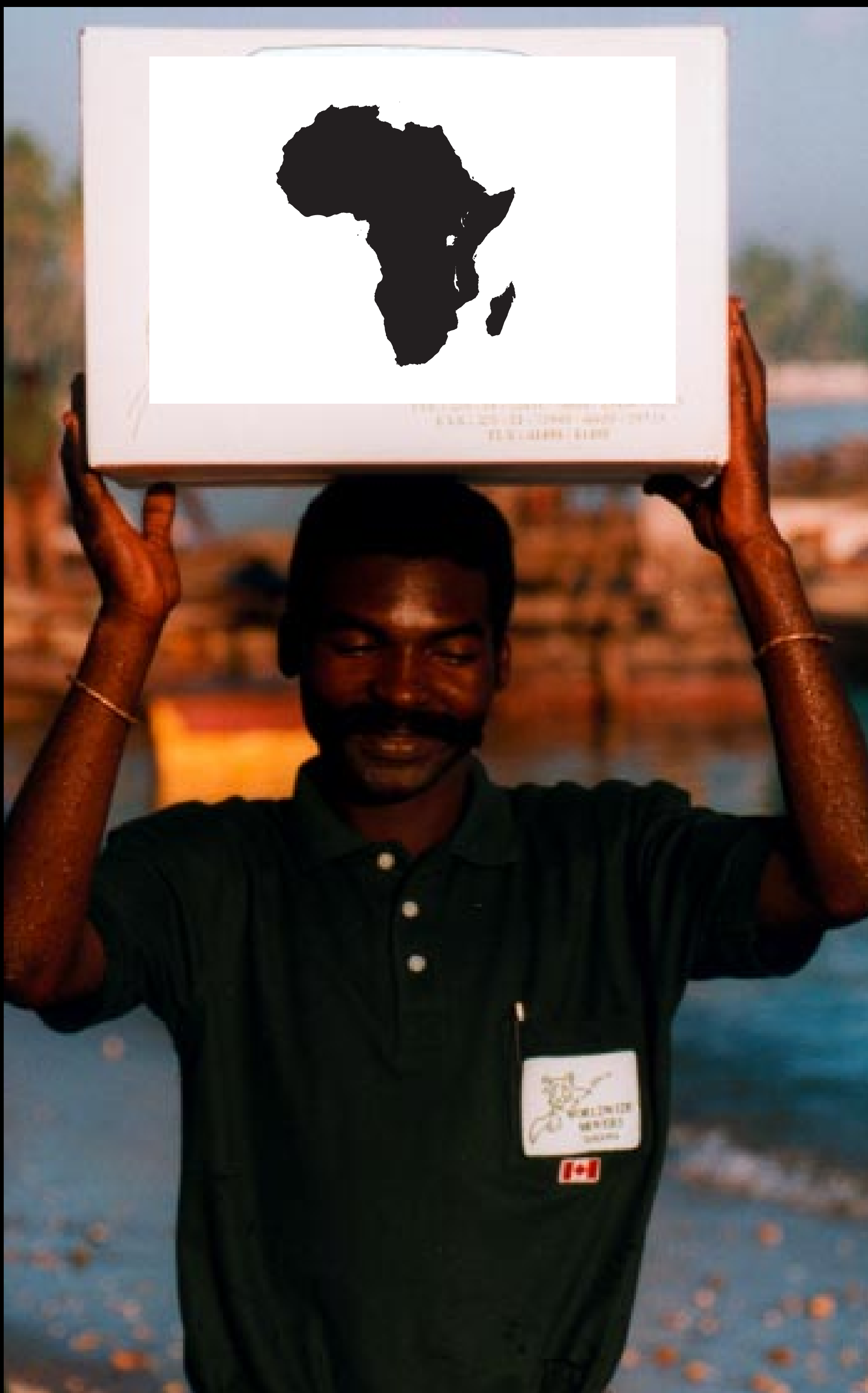
# THE PORTAL

VOLUME XXXIII CONTAINER 2 MARCH/APRIL 2000



## *Portal* Focus: Africa

## The New Age of the 'Infomediaries'

# THE PORTAL

**VOLUME XXXIII** **CONTAINER 2** **MARCH/APRIL 2000**

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*Cover photo: A scene from Tanzania, courtesy of Worldwide Movers.*

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## PRESIDENT'S MESSAGE

**By Terry R. Head**
**HHGFAA President**

# BEWARE.COM

Over the past couple of years I have had the opportunity to expound on the virtues of today's modern technologies in the advancement of our industry and the progression of the Association itself. There is no doubt that the emergence and utilization of computers, the Internet, and other inroads in telecommunications have had a positive impact on the evolution and growth of our businesses. In a fast-paced and ever-shrinking global environment the ability to instantly communicate with one's customers, suppliers, and trading partners is essential.

Unfortunately, these same tools of technology potentially can and will be used by new players in our industry to redirect customer focus and market share away from the transportation suppliers we would historically define as movers and forwarders to other non-traditional transportation entities. These newcomers are using these new technologies not only to support their marketing and operational services, these new technologies *are* their services. The dot-coms are here!

It is hard to pick up a business magazine or watch television without catching a reference to the Internet and the many new dot-com companies that have sprung up all over the world. Over the past year I myself have bought books and gifts over the Internet. I have inquired into the cost and availability of life insurance on the 'Net and I'm now in the process of collecting data relative to purchasing an automobile — all with the click of a mouse.

The transportation industry is not insulated or immune from the same effects Internet-based firms are having on retail, finance, and media/publishing businesses. Just imagine the impact they have had on travel agencies, considering the number of Websites offering travel services.

Regardless of their respective specializations, these new companies are focused on providing their potential customers with a new and convenient means of acquiring goods and services. They are successfully positioning themselves to become the new middlemen or intermediaries.

I first saw the term "intermediary" applied to the shipping industry in 1997, when I began following the legislative language developing for the Ocean Shipping Reform Act (OSRA). In retrospect, I also guess it was no coincidence that the Transportation Brokers Conference of America (TBCA) established and ultimately adopted the name Transportation Intermediaries Association (TIA).

Now, with the increased use and reliance on the Internet to promote and market their services, a new term is widely being used to describe these new go-betweens. In the shipping industry these dot-com entities are now commonly referred to as "infomediaries."

The new infomediaries include such companies as GoCargo.com, FreightDesk.com, ErateRequest.com, FreightGate.com, VirtualRelocation.com, etc. The list of dot-coms grows daily.

In this issue of *The Portal* (see page 36), we'll take a look at the impact of these new "competitors" on our industry. The bad news is that it takes technological knowhow to create and establish these types of Internet-based entities. The good news is that the technology and the knowhow are available to everyone, everywhere.

Movers will always provide the moving service, but wherein lies the future source of their business? The real question is, which business will grow by embracing the new technologies, and which will forfeit opportunities by not doing so?

On which course is your company headed? ■

# AGS in Africa

**A *Portal* Profile**

As the first moving company in Africa to be awarded ISO 9002 certification, says the company's Jean-François Guillaume, "The AGS Group is undoubtedly the most reliable partner in the area and the only moving company to provide you with such a coverage of Africa." Indeed, operating through 29 branches, AGS is recognized as *the* specialist of the African continent.

All of AGS's African branches are made on the same model and are fully owned by the parent company in Paris. This means that each branch has its own sales, administrative, and technical force; supervised by experienced managers. In addition, all AGS branch managers are expatriates, which make them more attuned to the customers' needs.

Ten years' experience in 29 African countries has enabled the various AGS teams to collect a wealth of information on the particularities of the continent (such as administrative formalities, vaccinations required, useful contacts, information related to the daily life, and so on), and the highly qualified workforce is multilingual.

Each AGS branch has its own storage facilities, fully equipped trucks, vans, forklifts, and other key equipment. Indeed, the AGS Group boasts a fleet of 107 vehicles and some 65,000 sq.ft. of storage facilities in the area.

AGS was the first Western mover to enter Africa, bringing to the continent its own trained people, materials, and operational standards. In this respect, each AGS branch can complete any destination or origin service for international removals, as they use packing material imported from France that meets international standard requirements, such as picture cartons, triple wall cartons, 9-ply paper blankets, partitioned barrels, hanging wardrobes, large lampshade cartons, and other specialized contianers. Moreover, every branch has a carpenter who can build any size of air or surface liftvan.

AGS's strategy was to establish a branch in every port of entry to easily serve the inland countries where it has a branch: Central African Republic, Chad, Malawi, Mali, Niger, and Zambia. This system enables AGS to perfectly control the moving operation and the logistics in a given area. Consequently, all AGS branches are in a position to offer a complete range of services such as:

- Packing/unpacking
- Consolidation
- Removal of debris
- Loading/unloading
- Customs clearance
- Storage

Assuring high quality service in an uncertain environment has greatly contributed to the growth and success of AGS in that part of the world. In this respect many companies, embassies, and world organizations have trusted AGS, including Africare, The World Bank, FAO, IMF, Texaco, Marathon Oil, Elf, U.S. Peace Corps, Coca Cola, and the United Nations.

The entire AGS African network is coordinated by AGS Africa, a department based in Paris whose aim is to handle any shipments to or from Africa as well as inter-Africa moves. AGS Africa will provide a quotation on the spot wherever AGS has a branch.

AGS's point of contact in Africa is Stéphane Régis, the operations manager of the African network who took over his new function after Sophie Lucas' departure to become the AGS Group sales and marketing manager. Régis joined the AGS group in 1997 as salesman for AGS Bangui (Central African Republic). He joined AGS Burkina Faso's sales team in 1998, before returning to Paris in 1999 to work with Sophie Lucas for 10 months.

For any further information related to AGS African branches, access AGS's Website: ***http://ags-worldwide-movers.com***

The AGS branches in Africa are as follows:

**AGS Benin**
BP 417 Cotonou
Tel: (229) 33 55 54 / 90 82 33 • Fax: (229) 33 55 07
E-mail: agsbenin@bow.intnet.bj
Warehouse and storage facilities: 31,000 sq.ft.

**AGS Burkina Faso**
Zone du Bois 01 BP 1767
Ougadougou 01
Tel: (226) 36 16 79 • Fax: (226) 36 18 25
E-mail: ags@liptinfor.bf
Warehouse and storage facilities: 6,000 sq.ft.

**AGS Cameroon**
BP 2324 Douala
Tel: (237) 42 95 48 • Fax: (237) 42 19 53
agsdla@douala1.com
Permanent staff: 14
Warehouse and storage facilities: 16,000 sq.ft.

**AGS C.A.R. (Central African Republic)**
Tel: (236) 61 01 82 • Fax: (236) 61 13 78
E-mail: agsrca@intnet.cf
Warehouse and storage facilities: 10,550 sq.ft.

**AGS Chad**
BP 1277 N'Djamena
Tel: (235) 51 08 28 • Fax: (235) 51 30 96
E-mail: agschad@intnet.td
Warehouse and storage facilities: 10,900 sq.ft.

**AGS Congo**
BP 1838 Pointe Noire
Tel: (242) 94 41 17 • Fax: (242) 94 41 14
Warehouse and storage facilities: 6,500 sq.ft.

**AGS Democratic Republic of Congo**
BP 3050 - 1 rue de l'oua
Kinshasa, Ngaliema (Dem. Rep of Congo)
Tel: (243) 12 41 390 • Fax: (243 12 01 028
Warehouse and storage facilities: 3,000 sq.ft.

**AGS Egypt**
18 Almaza Street - Heliopolis, Cairo - Egypt
Tel/Fax: (202) 290 30 43
E-mail: wmegypt@eis.egnet.net
Warehouse and storage facilities: 5,500 sq.ft.

**AGS Gabon**
ZI Owendo BP 9161
Ex Cogapneu - Libreville
Tel: (241) 70 23 16 • Fax: (241) 70 41 56
E-mail: ags@inet.ga
Warehouse and storage facilities 18,000 sq.ft.

**Port Gentil Branch:**
BP 1184 Port Gentil
Tel: (241) 56 14 54 • Fax: (241) 56 14 79

**AGS Ghana**
P.O. Box CT 1323
Cantonments - Accra
Tel (233) 21 701 0555 • Fax: (233) 21 701 0556
E-mail: agsghana@africaonline.com.gh
Warehouse and storage facilities: 10,500 sq.ft.

**AGS Guinea**
BP 738 Conakry
Tel: (224) 46 41 87 / 46 38 80 • Fax: (224) 46 41 89
E-mail: agsguinee@mirinet.net.gn
Warehouse and storage facilities: 13,600 sq.ft.

**AGS Ivory Coast**
18 BP 108, Abidjan 18
Tel: (225) 21 25 73 73 / 74 74
Fax: (225) 21 25 75 75
E-mail: agsci@africaonline.co.ci
Warehouse and storage facilities: 20,500 sq.ft.

**AGS Kenya**
P.O. Box 14061, Nairobi
Tel: (254) 2 350 119 /120 • Fax: (254) 2 823 491
E-mail: agskenya@kenyaonline.com
Warehouse and storage facilities: 50,000 sq.ft.

**AGS Madagascar**
BP 9167 A
Andoharanofotsy 102 - Antanarivo
Tel: (261) 20 22 461 98 • Fax: (261) 20 22 462 00
E-mail: agsmad@dts.mg
Warehouse and storage facilities: 7,000 sq.ft.

**AGS Malawi**
P/Bag 283 Lilongwe
Tel: (265) 740 870 • Tel/ Fax: (265) 781 919
E-mail: agslilongwe@malawi.net
Warehouse and storage facilities: 6,000

**AGS Mali**
BP E 693 - rue n°131, Bamako
Tel: (223) 20 13 78 • Fax: (223) 20 27 32
E-mail: agsmali@malinet.ml
Warehouse and storage facilities: 12,500 sq.ft.

**AGS Morocco**
6, rue Caïd El Acktar, 20100 Casablanca
Tel: (212) 23 68 12/13 • Fax: (212) 23 68 14
E-mail: mulot@marocnet.ma
Warehouse and storage facilities: 15,000 sq.ft.

**Rabat Branch:**
65 OLM Souissi II - Rabat
Tel: (212) 7 65 35 27 • Fax: (212) 7 65 35 67
E-mail: agsrabat@cyberinfo.net.ma

**AGS Mauritania**
BP 3936 Nouakchott
Tel: (222) 25 99 40 /41 • Fax: (222) 25 99 41
Warehouse and storage facilities: 2,500

**AGS Mozambique**
C.P. 2166 - Maputo
Tel/Fax: (258) 1 46 06 06
E-mail: agsmoz@virconn.com
Warehouse and storage facilities: 12,000 sq.ft.

**AGS Niger**
B.P. 13612 - Niamey
Tel: (227) 74 28 80 / 27 96 • Fax: (227) 74 19 40
E-mail: agsniger@intnet.ne
Warehouse and storage facilities: 16,000 sq.ft.

**AGS Rwanda**
Sis Gatsata
BP 292 - Kigali
Tel / Fax: (250) 76 573
E-mail: ags@rwandatel1.rwanda1.com
Warehouse and storage facilities: 36,000 sq.ft.

**AGS Senegal**
BP 2704 Dakar
Tel: (221) 822 54 30 • Fax: (221) 822 97 67
E-mail: tdicasal@telecom-plus.sn
Warehouse and storage facilities: 24,600 sq.ft.

**AGS Tanzania**
P.O. Box 31571 Dar Es Salaam
Tel: (255) 51 700 932 • Fax: (255) 51 75 635

# Profiles of an Industry

## AFRICA

### A SPECIAL **PORTAL** FOCUS

## KENYA

### Worldwide Movers Kenya

**Worldwide Movers Kenya** is quickly establishing itself as a leader in the international moving field across Kenya, with attentive and truly responsive service. The company handles international removals, local moves, long-term storage in dedicated warehousing facilities, and offers archive storage and retrieval, as well as “ex-pat” orientation services.

Founded by Val Prinsep, William Beuthin, Chris and Neena Prior in 1998 and managed by the Priors, the company handles an increasing share of international traffic in and out of Kenya.

Worldwide handles several U.S. van lines’ traffic and offers exclusive representation of several global carriers and is a founding member of the East African Overseas Movers Association.

The regularly updated Website offers useful information for those moving to Kenya that is frequently used by international movers for inclusion in customer presentations. Because of frequent telecommunication problems inherent to the national grid, Worldwide Movers in Canada can redirect inbound messages via its dedicated lines with Nairobi.

**Worldwide Movers Kenya**
P.O. Box 46748, Nairobi
Tabera Crescent, Kileleshwa, Nairobi
Phone: (254) 2-47281 • Phone/fax: (254) 2-43377
Alternative fax (Canada): 1-416-920-9554
E-mail: *wwmke@net2000ke.com* • Website: *wwmovers-africa.com*

## MOZAMBIQUE

### Ingar International

**Ingar**, established in Mozambique in 1984, is not only acknowledged as a pioneer in the local moving and freight forwarding business but also is known for its speed, skill, and efficiency in every move.

Over the past several years Ingar has handled more household and personal effects than any other firm in Mozambique, reports Managing Director J. Abraham.

With its own trucks, moving equipment, carpenters, and foreign-trained professional packers, Ingar need not subcontract. This ensures that regardless of whether Ingar handles origin services for worldwide international shipments or destination services for delivery from port of entry Maputo or Beira to within Mozambique, Swaziland, Zimbabwe, Zambia, Malawi, or South Africa, it is able to offer a one-stop, all-inclusive service with total control and efficiency.

Ingar was selected by ONUMOZ, a U.N. peacekeeping organization in Mozambique, to clear and transport 700 tons of personal effects and equipment, since it was the only company in Southern Africa that could do so with 48-hours' notice. Ingar is proud to be able to hold in its files several references from highly satisfied V.I.P. clients like Ambassadors, U.N. representatives, and others.

Abraham reports that the recent flooding in Mozambique had caused extensive damages to the country's north-south highway system, though air and ocean traffic are still possible. To help alleviate the human suffering resulting from the tragedy, Ingar has substantially reduced its rates for handling and distributing high volumes of relief aid. Whenever small amounts of relief aid are involved, says Abraham, Ingar tries to provide its services free wherever possible.

**Ingar International**
NO: 60, Recinto da Facim
Ave 25 De Setembro
Maputo, Mozambique
Tel: 2581-307220, 307221
Fax: 2581-307222
E-mail: *ingar@teledata.mz*

## SOUTH AFRICA

### Magna International Movers

**Magna Movers** was founded in 1976 as a local mover in Johannesburg. By the end of the decade, Magna Pietermaritzburg was established to handle the huge movement of domestic goods between Natal and Johannesburg.

In 1990, Magna International Movers was established. Since then, Magna has become a major force in the subcontinent in international moving, with depots in Johannesburg, Durban, Cape Town, and Pietermaritzburg as well as a representative office in London.

Magna has 27 international packing vehicles and long-distance vehicles, its own warehouses, and a staff of 140 employees. Through its network of agents, Magna can arrange delivery or collection anywhere in southern Africa—South Africa, Swaziland, Botswana, Zimbabwe, or Lesotho.

The company is owned by two shareholders, John Giles and Dave Buchanan, who have a very "hands-on" approach to business. The Magna philosophy is to offer personalized attention to clients throughout the relocation experience, realizing how stressful moving can be. Magna also runs regular seminars nationwide to explain the "ins and outs" of shipping, give freight costs, and advice on customs formalities and stress management. The customer contract carries through to delivery and unpacking in the client's new home overseas.

Magna offers full inbound and outbound services, specialized packing, palletized storage, pet transportation, and airfreight services. The company also has its own travel division, Magna Leisure, which handles South African tours for Magna's many overseas colleagues and visitors to the country, conference and corporate arrangements, as well as arranging air tickets and hotel accommodation for outbound clients.

**Branch Directors:**
**Johannesburg:** Laura Wegener
**Durban:** Andrew Peirson
**Cape Town:** Murray Hurd
**Pietermaritzburg:** "Nobby" Clark

**Magna International Movers**
302 Alto Level House
4 Fir Drive, Northcliff
Johannesburg 2195, South Africa
Phone: (27) (0)11 476 7992
Fax: (27) (0)11 678 5084
E-mail: *removals@jhb.nagna.co.za*
Website: *www.magna.co.za*

## Thomson International Movers

**Thomson International Movers** was established in 1987 as a company specializing in international moving, fine art packing, and storage. Founders by Robin and Trevor Thomson are involved in the day-to-day operations of the firm.

Thomson operates from the two prime moving areas in South Africa: Johannesburg, which covers Pretoria as well, and Durban, which is the busiest port in Africa. Other centers, such as Cape Town, Port Elizabeth, and Bloemfontein, are serviced by Thomson International Movers agents, but controlled through the Johannesburg office. The Johannesburg premises are situated 5 km. from Johannesburg International Airport.

The company owns its warehouse, which houses the head office for the group. It has 400 sq.m. of office space and 3,000 sq.m. of fully palletized storage space, loading docks for 40-foot containers, forklifts to handle containers and wooden liftvans, a full security system connected to a security company, a 24-hour guard, and a customs bonded storage area. The warehouse is fitted with a sprinkler system and smoke detectors connected to the fire station across the road from the facility.

Thomson's second warehouse lies nearby in a secure business park. It is 1,500 sq.m. and is used for long-term palletized storage and the storage of automobiles.

The packing, wrapping, and crating are done by Thomson's own staff, who have all been trained in-house.

The Durban branch, on the Durban North Coast, has 750 sq.m. of palletized warehouse space. The group's clearing and forwarding division is based at Durban, where they attend to the customs formalities for both inbound and outbound traffic for all consignments for Durban, Johannesburg/Pretoria, Lesotho, Swaziland, Botswana, Zimbabwe, Zambia, and Malawi.

Thomson's clients consists mainly of multinational corporate accounts, foreign embassies, consulates, fine art dealers, art galleries, and private movers, who are numerous in South Africa.

Thomson was recently awarded a 3-year contract for its South African Foreign Affairs Department to handle all shipments and airfreight consignments, both inbound and outbound, for officials being transferred to over 100 missions around the world. The contract includes storage of household goods and autos left behind.

"Our company prides itself on personalized service," says Robin Thomson.

**Thomson International Movers**
P.O. Box 593 • Isando, South Africa
Phone: 27 11 394-7115
Toll-free: 080 11 10891
Fax: 27 11 394-8100
E-mail: *thomson-jhb@thomsoninternational.co.za*

# TANZANIA

## Worldwide Movers Tanzania

The first and largest solely international moving company in Tanzania, **Worldwide Movers** has operations in and to Arusha, Dar es Salaam, Tanga, and Zanzibar and transit services for moves to and from Malawi and Zambia.

Worldwide Movers Tanzania handles international removals, local moves, long-term storage in dedicated warehousing facilities, and offers archive storage and retrieval, as well as "ex-pat" orientation services.

Founded by Val Prinsep and William Beuthin in 1993 and managed by Ian Ralston, the company handles the lion's share of international traffic in and out of Tanzania. Worldwide handles most U.S. van line tonnage to and from the country, offers exclusive representation of several global carriers, and is a founding member of the East African Overseas Movers Association.

With the only moving operation in Arusha in northern Tanzania, the company exclusively handles UN traffic for the War Crimes Tribunal as well as UN traffic throughout the country. In addition, Worldwide Movers offers origin and destination services in all regions of Tanzania and offshore islands, including Zanzibar and Pemba.

The regularly updated Website offers useful information for those moving to Tanzania that is frequently used by international movers for inclusion in customer presentations. Because of frequent telecommunication problems inherent to the national grid, Worldwide Movers in Canada can redirect inbound messages via its dedicated lines with Dar es Salaam.

**Worldwide Movers Tanzania**
Box 2486, Dar es Salaam • Ali Hassan Mwinyi Rd., Makumbusho
Plot 32/Block 45, Dar es Salaam
Phone: (255) 51-72631/75412/700978/700977
Fax: 75412/75948/72631 • Alternative fax (Canada): 1-416-920-9554
E-mail: *wwmtz@raha.com* • Website: *wwmovers-africa.com*

# UGANDA

## Worldwide Movers Uganda

The leading international moving company in Uganda with head office operations in Kampala, **Worldwide Movers Uganda** handles international removals, local moves, long-term storage in dedicated facilities, and offers archive storage and retrieval as well as "ex-pat" orientation services.

Founded by Val Prinsep, William and Eric Beuthin in 1997 and managed by Eric himself, the company handles most international traffic in and out of Uganda. When political conditions permit, the company offers destination services into Rwanda and Burundi. Worldwide handles most u.S. van line tonnage to and from the country, offers exclusive representation of several global carriers, and is a founding member of the East African Overseas Movers Association.

The regularly updated Website offers useful information for those moving to Uganda that is frequently used by international movers for inclusion in customer presentations. Because of frequent telecommunication problems inherent to the national grid, Worldwide Movers in Canada can redirect inbound messages via its dedicated lines with Kampala.

**Worldwide Movers Uganda**
P.O. Box 29339 • Kampala
Plot 1255/1256 Katete Close • Kansanga, Tank Hill, Kampala
Phone/fax: (256) 41-266-838
Fax: (256) 41-267-856/41-266-838 • Alternative fax (Canada): 1-416-920-9554
E-mail: *wwmug@imul.com* • Website: *wwmovers-africa.com*

# ZIMBABWE

## Stuttafords Removals

From a small operation based in Zimbabwe's capital, Harare, in 1952, **Stuttafords Removals** has grown into a powerhouse in Southern Africa. Its regional branch network now extends to Malawi and Zambia, with plans for more branches on the drawing board for Mozambique and Botswana.

Stuttafords concentrates on household and corporate relocations. It was recently authorized to certify shipments on behalf of customs and deliver them straight to the client's doorstep without need for customs inspection. This has greatly improved efficiency levels by cutting out the usual delays caused by customs inspections.

The company also has set up a clearance facility at the Chirundu border between Zambia and Zimbabwe, thereby allowing for clients' consignments to be cleared in bond. Stuttafords has held the Government of Zimbabwe contract to move all its civil servants within and outside Zimbabwe for the past seven years.

With a fleet of 40 prime movers and 60 trailers, Stuttafords also boasts of 120,000 sq.ft. of warehouse space in its three main locations. The company employs 220 people and offers its clients a range of services, including pre- and post-location advisory services; packing; transportation; cleraance; storage facilities; and insurance coverage.

The company's regional branch network has made it a leader in its knowledge of interregional customs regulations and procedures. This has been consolidated into a powerful database for use when handling clients' cross-border consignments.

Stuttafords has embarked on a strong human resource development program designed to upgrade the skills base particularly in the areas of information technology and customer service. An in-house training department continuously analyzes skills needs and puts together training programs. The company is fully computerized and provides up-to-date information for clients.

**Stuttafords Removals (Pvt) Ltd**
P.O. Box 699 • Harare, Zimbabwe
Phone: 263-4-620-524/7 • Fax: 263-4-620-528 or 263-4-339484
E-mail: *stuttafords@zol.co.zw* • Website: *www.stuttafords.co.zw*

## Coming Up in *The Portal*

"Profiles of an Industry," the new *Portal* section focusing on HHGFAA members in specific geographic areas, has received an enthusiastic response from our readers. The thumbnail sketches published in each issue provide an overview of the services your potential business partners can expect.

**In the May/June issue, *The Portal* will look at members in Movers in Latin America and the Caribbean.** If your company has an office in the region that is an HHGFAA member in good standing, we welcome your contribution to the Special Focus section. Here is what we'll need:

- A **short** profile (about 200-250 words maximum) on your company, including how long it has been in business and where it is located. **(NOTE: The office must actually be a main or branch office in Latin America or the Caribbean in order to be included in this section.)**
- A brief description of services your company offers.
- An overview of your facilities (equipment, warehouses, etc.) and number of employees.
- An indication of what makes your company special—why do customers come to you for service?
- Contact information: Company name, address, phone/fax numbers, Website and e-mail addresses. The Website and e-mail address will be included in the "Websites to See" section of the issue of *The Portal* in which your profile appears.
- Photos (optional). These may be of your facilities, equipment, and/or employees working at their jobs.

All submissions are subject to editing for length and syntax. If you advertise in the magazine, we will make every effort to place your ad near your profile. The deadline for the May/June 2000 issue is **May 20**. You may send text (in PLAIN TEXT or ASCII format only) via e-mail to:

**bcarri7850@aol.com** or **joycemcd@erols.com**

***We are unable to accept photographs or graphics by e-mail or on disk.*** Please send prints, slides, or negatives to:

**Bel Carrington**
**Household Goods Forwarders Association of America**
**2320 Mill Road, #102 • Alexandria, VA 22314**

Subsequent issues will contain special focus sections as well. Here's what we have planned in coming months:

**July/August 2000:** Movers in the Pacific Part I: Micronesia, Australia, New Zealand, Indonesia, Malaysia, Singapore

**September/October 2000:** Movers in the Pacific Part II: Far East— Japan, China, Korea, Thailand, Vietnam, Hong Kong, Philippines. (**NOTE:** Because several movers in Japan and Korea were profiled in *The Portal* during 1999, only those Japanese and Korean companies not included in that section will be included this time.)

## A Look at Selected

# Ports in Africa

## CAMEROON

History and nature, as well as economic factors, have made Douala-Bonaberi Port the main maritime outlet of Cameroon. This port alone handles more than 95 percent of the country's total maritime traffic. About 80 percent of the industries in Cameoon are located in the area, making it the economic capital of the country. As an estuary port, at about 50 km from the sea, it enjoys two main advantages:

- The reduction of the distance between the sea and the production and consumption areas;
- The presence of calm waters, allowing commercial operations to take place in optimal conditions.

A widespread network of air, railway and road transports covers the whole region, thus facilitating transfer of goods to the hinterland.

Douala-Bonaberi Port has been spurred by the economic growth of Cameroon. Over the past two decades.

Following a vast modernization program, the Douala Port's capacity more than tripled, from about 2 million tons to more than 7 million tons a year. Now, the Douala port now offers:

- 7.5 million tons of cargo output;
- 11 million tons of storage capacity;
- 1.000 hectares of land estate of which 400 hectares are being exploited;
- 10 km of quays (including wetdock outlines);
- 20 km of road network;
- 25 km of railways;
- 13 multi-purpose warehouses;
- 2 long term storage areas;
- 20 hectares of land yard initially destined for the traffic of land-locked countries, but which are now partly allocated for the free trade zone; and
- various facilities for specialized traffic.

Ships have access to the port passing through a 50-km.-long channel divided into two parts of equal length (the inner channel and the outer channel) and marked by lighted buoys. The inner channel, 150 m. wide, is regularly dredged at the official water depth of 5.8 m. Actions are being taken to improve this draft.

In the near future, all ports in the country will be equipped with a telecommunication network and an automatic fire detection, alarm and extinguishing system.

About 1,000 foreign trade ships call at the port each year. Adequate facilities have been made available to meet the constraints that go with the handling of specialized traffic.

The container traffic is concentrated primarily in Douala. Today, that amounts to 70,000 boxes representing 800,000 tons of cargo. The equipment available to handle this traffic includes:

- 500 m of quay dredged at -11.5 m.;
- two ro-ro traffic ramps;
- two dolphins;
- a shed for the stuffing and unstuffing of containers;
- yards destined for imported vehicles.

The capacity of the terminal is estimated at 1.5 million tons per year.

A decade ago, the Cameroon Shipyard and Heavy Industry was created to assume from the Ports Authority all activities relating to ship repair. Efforts are underway to provide this unit with an optimum site.

Two main achievements have marked the functioning of the Douala port to improve operating conditions. First was the demarcation of the port, according to the nature of traffic, into various units known as terminals, aimed at bringing together all the services needed by a port operator for commercial activities: Ports Authority, Customs, shippers council, shipowners, stevedoring companies, etc.

This system will be backed up, in the short term, by a Port computer system that can be assimilated to the Computerized Data Exchange System for greater efficiency.

The regional impact of the Douala port can be measured through the scope of its service area, which goes far beyond Cameroon's national boundaries to cover other countries in the sub-region.

Neighboring countries such as Chad and Central Africa, which have no direct access to the sea, and to some extent the northern part of Congo, thus fall within the scope of the Douala port.

The port offers:

- utilities and communications networks;
- road infrastructures linked to the south entrance of the Douala-Yaounde highway;
- a railway network connected to the Transcamerounian Railway line, which links Douala to Ngaoundere with road extensions to Chad and Central Africa.

In addition to these physical and material amenities, the traffic of land-locked countries passing through the Douala port benefits from privileged commercial conditions, including the reduction by 50 and 25 percent respectively for port dues on goods cargo-handling charges.

The Douala Port Community, created in November 1994, is aimed at creating at an integrated approach to port activities. Its purpose is to allow all economic operators to put together their resources to achieve a number of goals, through cooperation and mutual interests, to enhance the global competitiveness of the port.

## EGYPT

Alexandria was Egypt's principal port and in the early 1990s became capable of handling 13 million metric tons of cargo yearly. Egypt's two other main ports, Port Said (Bur Said) and Suez, reopened in 1975, after an eight-year hiatus following the June 1967 War. Realizing the importance of shipping to the economy, the government embarked on an ambitious plan in the late 1980s to build new ports and increase capacity at existing facilities, including constructing a facility capable of handling up to 20 million metric tons of cargo just west of Alexandria. Bur Safajah on the Red Sea was being developed to handle phosphate exports, and the first stage of a new port at the mouth of the Nile's eastern Damietta (Damyat) tributary opened in 1986.

Egypt has about 3,500 kilometers of inland waterways. The Nile constitutes about half of this system, and the rest is canals. Several canals in the Delta accommodate ocean-going vessels, and a canal from the Nile just north of Cairo to the Suez Canal at Ismailia (Al Ismailiyah) permits ships to pass from the Nile to the Red Sea without entering the Mediterranean Sea. Extensive boat and ferry service on Lake Nasser moves cargo and passengers between Aswan and Sudan.

The Suez Canal has Egypt's most important waterway and one of the world's strategic links, being the shortest maritime route between Europe and the Middle East, South Asia, and the Orient since it opened in 1869.

The canal extends 160 kilometers from Port Said on the Mediterranean to a point just south of Suez on the Red Sea. It can handle ships with up to 16 meters draught; transit times through the length of the canal average 15 hours. Passing occurs in convoys with large passing bays every 25 kilometers to accommodate traffic from opposite directions. Traffic patterns have changed considerably over the last century, reflecting different global priorities: passenger transit has dropped while the movement of goods, especially petroleum, has increased dramatically. It was estimated that before the 1967 Arab-Israeli War, 15 percent of the world's total sea traffic passed through the canal.

## GHANA

Ghana has two deep artificial harbors, one at Tema and the other at Takoradi. The first stage of the government's five-year plan to improve Ghana's physical infrastructure began with the expenditure of US$80 million to rehabilitate the port at Tema. As a result of the work, the port's capacity for handling dry tonnage rose by 50 percent to 2.7 million tons.

Work planned at Takoradi should increase capacity by 128 percent to 1.6 million tons. The Volta River, the Ankobra River, and the Tano River provide 168 kilometers of perennial navigation for launches and lighters. Lake Volta provides 1,125 kilometers of arterial and feeder waterways. In addition, the government is developing new ports on Lake Volta to create an inland waterway network.

Ghana's merchant marine service includes six ships (five cargo and one refrigerated).

## IVORY COAST

Côte d'Ivoire has no natural, sheltered deepwater harbors. Until 1950 all imports had to be offloaded at sea onto lighters that either crossed the surf and landed on a beach or, as at Grand Bassam and Sassandra, unloaded at a wharf that extended beyond the surf. In 1950 the 2.7-kilometer Vridi Canal, which cut through the barrier island south of Abidjan, was completed, linking the Gulf of Guinea with the Ebrié Lagoon. Until port facilities at Abidjan were completed, lighters were still required to unload cargo, but by 1955 all port operations were handled at dockside.

By the 1970s, Abidjan was the largest port in West Africa. The amount of cargo handled grew from 5 million tons in 1970 to 9.5 million tons in 1986, a large proportion of which was containerized. Abidjan had 5,485 meters of quays representing 35 berths, 105,000 square meters of warehouse space, a quay with refrigeration installations for the fishing industry, and twelve specialized quays for bananas, fish, timber, cement, hydrocarbons, tankers, and roll-on roll-off cargo operations. In 1987 the government enlarged the Abidjan port, adding two new quays in Locodjo across the lagoon from the city.

To stimulate development in the southwest and reduce the cost of transporting raw materials to Abidjan, the government constructed a second deepwater port at San-Pédro. The San-Pédro project, which represented a major governmental effort to exploit the timber, cocoa, coffee, rubber, and palm oil production planned for the southwest and the iron ore mines farther north, included road building and development of an urban infrastructure. The port with two large quays began operating in 1971, but because the iron ore project was dropped and timber production for the region was less than the amount anticipated, the San-Pédro port handled far less than its planned capacity. In 1984 cargo amounted to approximately 1.3 million tons, or 14 percent of all maritime commerce. In 1984 Abidjan and San-Pédro handled a total of 9.7 million tons of cargo.

Côte d'Ivoire has two merchant marine companies flying the national flag: SITRAM and the Ivoirian Maritime Navigation Company, with a combined total of twenty cargo ships. The former company was state owned; the latter was privately owned.

## KENYA

The Port of Mombasa, managed by the Kenya Ports Authority (KPA), is strategically situated to serve the rich commercial, agricultural and industrial hinterland of Kenya and the transit countries of Uganda, Rwanda, Burundi, Eastern Zaire, and Southern Sudan, among others.

The port offers many shipping opportunities for transshipment and transit cargo. And with a modern container terminal, adequate facilities for general cargo, and a trouble-free labor force, the port can more than adequately meet the demands of its various customers.

The port offers a diverse range of services for exporters and importers:

- Pilotage to ships.
- Berthing of ships.
- Stevedoring.
- Shorehandling of cargo.
- Development and management of inland container depots which extends port services closer to users.
- Staff development.

Third-party services offered at the port by different organizations/companies, include bunkering to ships (which is available by barge); ship chandling; ships agency services; and clearing, forwarding, and warehousing. All these services are supported by adequate facilities and manpower, as well as excellent road and rail connections to the port's hinterland and reliable shipping services in the port's foreland.

The Port of Mombasa includes Kilindini Harbour, Port Reizt, the "Old Port," Port Tudor, and the whole of the tidal waters encircling Mombasa Island. The port has 16 deep water berths with total quay length of 3,044 meters and a maximum dredged depth of 11 meters, as well as several wharves and jetties.

The total cargo handled at the port has generally averaged around 8 million tonnes per annual over the past six years from 1991. In 1996 a record of 8.69 million tonnes was handled.

The Port of Mombasa also has seen tremendous growth in transit traffic, with its record performance of 2.8 million tonnes in 1996 representing 32.6 percent of total traffic.

## NIGERIA

Nigeria's port system consists of three complexes — Lagos, Rivers, and Delta — and the port of Calabar. The Lagos port complex is by far the most important, handling most of Nigeria's cargo. In addition to the cargo ports, two specialized tanker terminals handle crude oil exports.

The Lagos port complex consisted of the large quays at Apapa and new, smaller facilities at Tin Can Island west of Apapa. Apapa was Nigeria's principal cargo port and had direct rail connections to the national system. Docking facilities at Warri, Sapele, and several smaller towns near the mouth of the Niger River comprised the Delta complex. The main element in the Rivers ports complex is Port Harcourt, starting point for the eastern line of the Nigerian railroads and located 66 km. from the sea on the Bonny River. Calabar, 83 km. up the Cross River, serves as eastern Nigeria's main port. Nigeria's crude oil was exported through modern facilities at Bonny, near Port Harcourt, and Burutu, near Warri.

Import restrictions imposed in 1982, a soft worldwide crude oil market, and a decline in the country's crude oil exports throughout the 1980s caused a sharp decrease in oceangoing trade. In addition, the government shifted development funds in the last half of the 1980s from improving deepwater ports to building river ports in the hope that increased passenger traffic on the nation's inland waterways would relieve the strained highway system.

## SOUTH AFRICA

South Africa has no commercially navigable rivers, but ocean shipping has long been a feature of its transportation network, capitalizing on the country's two-ocean frontage. The earliest 19th-century shipping firms began as coastal carriers for local commerce, traveling between southern African ports. After World War II, private investors initiated an international shipping service, and in 1946 the state corporation, South African Marine Corporation (Safmarine), assumed control over the private company. Safmarine operates container ships, general cargo vessels, and bulk carriers for mineral exports, and, since the 1980s, has offered expanded service to Europe, North America, South America, and Asia (South Korea, Hong Kong, and Taiwan). In 1992 it purchased the newest of its five container ships, Oranje , from Croatia at a cost of R100 million.

South Africa has six major commercial ports: Durban, Richards Bay, Cape Town, Saldanha Bay, Port Elizabeth, and East London. Portnet manages their facilities, including cargo-handling equipment, wharves, and container terminals, and provides services such as tugs, berthing, and cargo handling. Portnet also sets the standards for such services offered by private businesses. (In addition, Portnet manages forty-six lighthouses—eighteen operated by keepers and twenty-eight that are automatic.) Relying on containerization and automation to speed up service, Portnet handled more than 127 million tons of cargo on more than 12,900 seagoing vessels in 1994.

Each major port has traditionally played an important, specialized role in South Africa's export sector. For example, Durban handles general cargo, especially cereal exports; Cape Town specializes in exports of deciduous fruit, wine, and vegetables; and Saldanha Bay was built specifically to export mineral ores from the Northern Cape.

Durban's port encompasses 893 hectares of bay area. The port entrance channel is 12.7 meters deep at low tide. Durban has five deep-sea and two coastal container berths, and provides 15,195 meters of quayage for commercial ships. Durban also has repair facilities, including a floating dry dock. Through the 1980s, Durban was South Africa's busiest general cargo port, handling as much as 25 percent of the country's imports and exports in some years, but it was being surpassed by Richards Bay in the 1990s.

Richards Bay, a deep-water port 193 kilometers northeast of Durban, was commissioned in 1976 primarily to export coal from the eastern Transvaal, but by the early 1990s it was handling almost one-half of all cargo passing through South African ports. Port facilities can accommodate bulk carriers of up to 250,000 tons, with five berths for general and bulk cargo, and a coal berth.

Cape Town has one of the largest dry docks in the southern hemisphere, including five berths for container vessels and general cargo carriers, a pier for coastal traffic, and extensive ship repair facilities. The port at Cape Town has a water area of 112.7 hectares.

Port Elizabeth's enclosed water area of about 115 hectares has more than 3,400 meters of quayage for commercial shipping and a container terminal that has two berths. Vessels with a draught of up to twelve meters can use the harbor, and offshore anchorage is available for vessels of any draught. Facilities at Port Elizabeth include a mechanical ore-handling plant, which can process up to 1,500 tons per hour, and a precooling storage area with a capacity of 7,500 cubic meters.

Saldanha Bay, 110 kilometers northwest of Cape Town, is the largest port on the west coast of Africa and one of the best natural ports in the world. The facilities at Saldanha Bay provide anchorage in the lee of a breakwater where the minimum water depth is 14.6 meters. With a port area of about 5,000 hectares, Saldanha Bay is larger than the combined areas of the ports of Durban, Cape Town, Port Elizabeth, and East London. The ore-loading jetty can handle carriers of 350,000 tons.

South Africa's only river port, East London, is situated at the estuary of the Buffalo River in Eastern Cape province. Although East London is the smallest of the six major ports, it has a 75,000-ton capacity grain elevator—the largest in South Africa. East London handles agricultural exports and is the main outlet for copper exports from other African countries, such as Zambia and Zaire.

Two other coastal cities—Simonstown, south of Cape Town, and Mossel Bay, between Cape Town and Port Elizabeth—have substantial port facilities. Mossel Bay is a commercial fishing harbor between Cape Town and Port Elizabeth, and Simonstown is a naval base and training center. ■

# FMC Announces Reorganization

The Federal Maritime Commission has announced that it has implemented a reorganization of the agency effective February 27, 2000. FMC Harold J. Creel, Jr. said the reorganization enables the Commission to more efficiently discharge its duties in light of the recent passage of the Ocean Shipping Reform Act of 1998 (OSRA), which significantly altered the Commission's role overseeing the ocean transportation industry.

Creel said the Commission is now more streamlined, with three operating bureaus instead of four. There is no longer a Bureau of Administration; Bruce A. Dombrowski, the new Executive Director, is now directly responsible for the administrative offices of the agency, thereby eliminating an unnecessary layer of supervision. Dombrowski will oversee the Commission's staff, but will also provide advice on policy and internal issues.

The plan also combines certain of the functions of two prior bureaus into a single Bureau of Trade Analysis. This bureau is responsible for processing agreement filings, performing competition oversight and analysis, and providing substantive assistance regarding service contracts and tariffs. This will increase the allocation of resources to more substantive, analytical work aimed at industry practices and trends, and will focus less on the technical review of filed documents. This framework will also allow the FMC to more efficiently address its responsibilities concerning the filing of service contracts and to ensure the accessibility and accuracy of carriers' automated tariff systems.

The Bureau of Consumer Complaints and Licensing is a new bureau comprised of the offices overseeing the licensing and financial responsibility of intermediaries and the certification of passenger vessels for financial responsibility, and also includes an expanded office devoted to handling consumer complaints and achieving informal resolution of disputes. Creel expects to "involve the agency more deeply in alternative dispute resolution, conciliation, and mediation, in hopes of finding ways to settle matters without having them processed via the costly and time-consuming channels of formal adjudication [and] to augment our ombudsman-type services and our attention to consumer fraud. I believe this is consistent with OSRA's intention to foster an environment in which the government facilitates statutory compliance, and initiates enforcement action to address market distorting or otherwise harmful malpractices." This new bureau will streamline the processing of license applications and certificates, and will allow the Commission to allocate more resources to and increase its oversight of the growing passenger vessel industry.

The Bureau of Enforcement remains under the reorganization plan, and the Commission intends for that Bureau to remain active and aggressive in responding to evidence of wrongdoing. Even as amended by OSRA, the Commission's statutory responsibilities include prosecuting certain proscribed acts, such as unreasonably refusing to deal or negotiate, or willfully misdescribing cargo for the purposes of paying a lower rate, or operating without the necessary financial responsibility, license or published tariff. The Commission will work with industry to attain compliance and to bring entities into conformity with the law, and will not aim to penalize the unwary.

Various personnel have been reassigned. Reporting directly to Dombrowski are Florence A. Carr, Deputy Executive Director; the Office of Management Services, headed by Michael H. Kilby; the Office of Human Resources, headed by Hatsie H. Charbonneau; the Office of Budget and Financial Management, headed by Karon E. Douglass, and the Office of Information Resources Management, headed by George P. Bowers.

Austin L. Schmitt is Director of the Bureau of Trade Analysis. Reporting to him are the Office of Agreements, headed by Jeremiah D. Hospital; the Office of Economics and Competition Analysis, headed by Frank J. Schwarz; and the Office of Service Contracts and Tariffs, whose director has not yet been named.

Reporting to Sandra L. Kusumoto, Director of the Bureau of Consumer Complaints & Licensing, are Ronald D. Murphy, Deputy Director; the Office of Consumer Complaints, headed by Joseph T. Farrell; the Office of Transportation Intermediaries, headed by Betty J. Bennett; and the Office of Passenger Vessels and Information Processing, whose director has not yet been named.

Theodore A. Zook is Assistant Secretary. Matthew J. Thomas, the Assistant General Counsel for International Affairs, will serve as Director of a permanent Task Force on Restrictive Foreign Practices.

## U.S. DOT Expects Continued Growth of Oceanborne Trade

Global oceanborne commerce is expected to continue to grow 3 to 4 percent annually over the next several years, according to a new report released by three agencies of the U.S. Department of Transportation. U.S. international waterborne trade, which accounts for about 20 percent of the global total, is also expected to grow at a similar rate.

The report, Maritime Trade & Transportation 1999, is a result of an ongoing cooperative effort by the Bureau of Transportation Statistics, the Maritime Administration and the U.S. Coast Guard. It supports the Department's Marine Transportation System (MTS) initiative which, through public-private partnerships, seeks to ensure the system's ability to meet the challenges of the 21st century.

"Our marine transportation system is the lifeline that links American producers, farmers and manufacturers to global markets," said Secretary Rodney Slater. "The data contained in this report underscore the need for our commitment to meet the growing challenges to the nation's marine transportation system by modernizing marine transportation infrastructure."

The report reflects major trends affecting the industry in the 1990s and devotes considerable attention to the safety and environmental goals of the Department, as well as to the critical role of the maritime industry in meeting U.S. national security requirements.

The U.S. marine transportation industry serves the needs of both international and domestic commerce. It comprises companies that carry freight or passengers on the open seas or inland waterways, as well as companies that offer towing services, operate canals and terminals, charter vessels, handle cargo, and build and repair ships.

Statistics and analysis within the report address waterborne trade and transportation, shipbuilding, waterborne trade and the U.S. economy, safety and environment, national security, navigation technologies and related programs, and maritime data issues.

Maritime Trade & Transportation 1999 is available in print and electronic format. Printed copies may be requested by calling (202) 366-DATA, by facsimile at (202) 366-3640, or by writing to the Bureau of Transportation Statistics, U.S. Department of Transportation, Room 3430, 400 Seventh St. SW, Washington, DC 20590. Additional information can be found at the DOT web site at www.dot.gov/mts.

## MARAD Report Available

The Maritime Administration (MARAD) has published the updated Merchant Fleets of the World, July and October, 1999. The report contains summary information on self-propelled oceangoing merchant vessels of 1,000 gross tons and over, by flag or registry and major vessel type.

Copies of the quarterly reports may be obtained from the MARAD's Office of Statistical and Economic Analysis, Room 8107, (202) 366-2267; 400 - Seventh St., SW, Washington, DC 20590. The reports are available for download from MARAD's web site http://www.marad.dot.gov; follow link to Publications.

## MARAD Presents 2001 Authorization Request

On Feb. 29, Deputy Maritime Administrator John E. Graykowski appeared before a congressional oversight panel on the Merchant Marine to present the agency's FY2001 authorization request.

The request, said Graykowski, "reflects the Administration's continued commitment to ensuring that our huge domestic and foreign trade remain served by U.S.-flag vessels that are also vital to military sealift support during times of national emergency." Highlights of his report and the authorizations requested included:

- Maritime Security Program: $98.7 million was requested for MSP payments of approximately $2.1 million each to 47 vessels with proven national security capabilities. Graykowski pointed out that the MSP ends in FY

2005, adding, "During FY 2000, we will conduct an evaluation of the impact of the MSP and VISA programs on MARAD and DOT security goals of ensuring the readiness and capability of commercial transportation to meet national defense needs, and ensuring transportation infrastructure and technology is adequate to facilitate military logistics during training exercises and mobilization."

- Shipbuilding: $2 million was requested for the cost of loan guarantee commitments to enable MARAD to provide loan guarantees of up to $40 million based on a 5 percent loan subsidy rate. MARAD has had significant carryover funds for Title XI loan guarantees in recent years. Additionally, carryover of amounts previously authorized for loan guarantees into fiscal year 2001 would allow for a robust program. The $4.179 million request for administrative expenses will enable MARAD to manage both the existing portfolio of loan guarantees and new guarantees.

- The National Defense Reserve Fleet and the Ready Reserve Force (NDRF) was established in 1946 in order to meet reserve sealift requirements for national defense purposes. Of the 254 NDRF vessels, 91 comprise the Ready Reserve Force (RRF); most are outported to various locations throughout the country in proximity with likely loadout ports established by the Department of Defense.

- Ship Scrapping: Currently, 110 vessels in the NDRF have been determined to be obsolete and are slated for scrapping; 24 more could be added to that number by late 2001. MARAD is required to dispose of obsolete vessels in the NDRF by September 30, 2001, in a manner that maximizes financial return to the United States. Although MARAD has sought to scrap the vessels in the domestic market, where environmental and safety standards are high, the capacity of this market is limited. The Navy, which is responsible for the disposal of obsolete combatant vessels, has begun a pilot program to pay for the costs of disposing of its obsolete vessels. MARAD has been reviewing bids and performing increased contract monitoring and oversight. Between 1987 and 1994, 130 vessels were sold to foreign scrappers for $108/ton, but only 10 vessels were awarded to be scrapped domestically in 1997-98 at an average of $4.60/ton. Last year, 12 vessels were awarded for only 27 cents per ton and three vessels were sold for $10 each, to be scrapped domestically. MARAD will be unable to dispose of all of the obsolete vessels in the NDRF by the September 30, 2001, deadline. Therefore, the agency wants to extend the disposal date by five years to September 30, 2006, to provide MARAD additional time to develop an action plan and begin implementation of the plan to dispose of this growing number of vessels in an environmentally sound and economically reasonable manner. In addition to being in extremely poor condition, the vessels contain PCBs (polychlorinated biphenyls), asbestos, fuel oil, and other hazardous substances. Ships that pose dangerous environmental risk are monitored closely by MARAD to prevent sinking or a hazardous discharge.

- Cargo Preference: U.S. cargo preference laws require that a certain percentage of Government-impelled cargo be carried on U.S.-flag vessels, and thus are important to the financial viability of U.S.-flag vessel operating companies as well as to the country's economic and national security. This year's authorization proposal seeks to establish a one-year waiver of the "three year rule" mandating that foreign-built vessels brought under the U.S. flag must wait three years before carrying food aid preference cargoes. This would provide a limited opportunity for modern, foreign-built bulk and break bulk vessels to register under the U.S.-flag and be immediately eligible to carry preference cargo in international trade. In return, the vessels must have any additional shipyard work necessary to become U.S.-flagged performed in the United States. The vessels would not be granted pre-approval to leave U.S. registry under section 9(e) of the Shipping Act, 1916, or be entitled to any benefit of the Capital Construction Fund. Graykowski said the amendment could improve the vessel profile of the U.S.-flag drybulk and breakbulk fleets, add jobs for U.S. merchant mariners capable of crewing sealift ships in a mobilization, and increase the percentage of U.S. foreign commerce carried in U.S.-flag vessels. Additional modern vessels in the U.S.-flag fleet also would increase the competition for carriage of government-impelled cargoes. This could result in substantial cost savings to the U.S. Government. Because these vessels would only be eligible for foreign trade, this proposal has no impact on the Administration's firm commitment to the U. S.-build requirement of the Jones Act. MARAD also wants to change the cargo preference year for determining compliance so that it coincides with the Federal Government fiscal year to simplify record keeping and management of the program.

- Maritime Education and Training: MARAD requested operations and training funds of about $37.2 million to operate the United States Merchant Marine Academy at Kings Point, N.Y. This includes a $3.3 million increase over funds appropriated in FY 2000 to pay for both operational and capital improvements at the Academy. Also, MARAD asked for $9.5 million for financial assistance to the six State maritime academies. This would support the Student Incentive Payment (SIP) Program at the state academies, which results in a service obligation to the maritime industry and the Armed Forces reserves for the recipients, and would also fund the costs of maintenance and repair for MARAD ships on loan to the State academies as training ships.

- Marine Transportation System (MTS) Initiative: On January 13, 2000, MARAD announced the establishment of the Marine Transportation System National Advisory Council (MTSNAC) to advise the Secretary of Transportation, through MARAD, on current and future matters such as waterways, ports, and their intermodal connections. The MTSNAC will address strategies to ensure a safe, environmentally sound, and secure MTS that improves the global competitiveness and national security of the United States; issues and concerns raised by marine transportation industry; and other matters at the Secretary's request. The Council will comprise representatives from as many as 30 non-Federal organizations from the marine transportation industry and stakeholders representing a cross section of the diverse components that comprise the MTS including private sector organizations and state and local public entities.

## INDUSTRY NEWS

### Exel, MSAS Merger

Traffic World reports that MSAS Global Logsitics will merge with Exel Logistics in a $4.4 million deal. The merger between their respective parent companies, Ocean Group plc and NFC plc, creates one of the world's biggest logistics and freight forwarding companies, combining MSAS's worldwide air freight forwarding business and Exel's ground-based supply chain management services. The new company will be called Exel plc.

Meanwhile, there were rumors of a possible Deutsche Post-Lufthansa merger. If it happens, it would result in a $8.6 billion logistics and transportation operation.

These developments underscore the pressure to combine and consolidate in the global logistics business. Exel CEO Gerry Murphy said the merger is a response to shipper demands, and has been discussed for about three years.

The benefits of the merger will be seen most clearly in Asia, where Exel's biggest problem has been moving in and out of Asia, which is Ocean's biggest strength. Exel has made a name for itself in supply-chain management projects mostly involving ground transport, while MSAS is primarily an air freight forwarder. This combination, says the companies, should position them perfectly for future growth in global logistics, which is expected to average between 10 and 20 percent a year for the foreseeable future. ■

### Auto Ship Planned for Hawaii Trade

In a move that will invigorate competition in the business of moving automobiles between the U.S. West Coast and Hawaii, a logistics firm and a maritime company have contracted to build a roll-on/roll-off vessel to serve the Hawaii market exclusively, the Journal of Commerce reports.

The vessel is being built by Halter Marine Group Inc. for Pasha Hawaii Transport Lines, a recently formed joint venture between privately held Pasha Group of Corte Madera, Calif., and Van Ommeren Shipping (USA) Inc.

Some 150,000 cars move between the West Coast and Hawaii each year, most of them shipped by the Big Three automakers for new car sales or rentals. About two-thirds of the volume is westbound to Hawaii.

Autos currently are shipped either with Matson Navigation Co. or with CSX Lines. Two of Matson's container ships have limited ro/ro capacity.

It is the limited ro/ro capacity in the Hawaii trade that Pasha Group saw as providing an opening for a new competitor, said George W. Pasha IV, Pasha Group's president and chief operating officer. "Much of the traffic is being handled two vehicles per container, which is an expensive and cumbersome process," Pasha added.

The vessel the company is building can carry about 4,000 autos and a variety of other types of cargoes, including oversized project cargoes and containers. The vessel will cost $71 million, and Pasha hopes to have it deployed by April 2002.

Pasha said that while the rates to ship vehicles on the new vessel won't necessarily be lower, the method of shipping is superior to containers in ways automobile companies say is important.

The venture has signed a contract with Halter Marine to build the vessel and is awaiting approval from the Maritime Administration for Title 11 financing. Currently two similar ships are operating in Europe, and Pasha noted that the ships are performing according to specifications from a speed and fuel consumption standpoint.

The Pasha Group operates automobile processing facilities under long-term leases in three California cities, Baltimore, and Philadelphia. It derives roughly half of its revenue from automobile-related activities and the other half from services such as relocation and project cargo logistics. Pasha will own 75 percent of the venture, and Van Ommeren will oversee the ship's construction and operation.

*— SOURCE: Peter M. Tirschwell,*
*The Journal of Commerce*

## MARAD Wants Chinese Pledge in Writing

U.S. Maritime Administrator Clyde J. Hart Jr. has made it clear to the Chinese government that its free-market rhetoric must be incorporated into new maritime regulations it is proposing. In a letter to Chinese officials, Hart referred to assurances given last year by China that it has no intention of controlling liner shipping freight rates. An earlier assertion by the United States that China was planning to introduce regulations that would give the government a direct say in the setting of freight rates as put down to "mistakes in translating the text."

Nevertheless, the Chinese have not clearly stated their proposed regulations that there will be no government interference in setting freight rates. The regulations also are at odds with China's stated willingness to liberalize its maritime markets.

"Regrettably, the regulations represent a sharp contrast to the overall positive direction of our trade relations with China," Hart wrote. He urged that China "substantially revise the regulations to limit the authority of the government to regulate liner shipping."

*— SOURCE: Ken Cottrill, Traffic World*

## Coming Up in the May/June Portal

As this issue goes to press, the House Judiciary Committee is planning hearings on ocean carrier antitrust immunity in the context of the Ocean Shipping Reform Act. The next issue of The Portal will provide a report on those hearings and expected next steps for Congress and the industry.

# Maritime Shipping in Transition: The Rise of the 'Infomediary'

*By George J. Dennis, Anthony S. Marino, and Betting Polydor-Kallins*

Over the past 12 months, the marine ship-ping industry has undergone a radical transformation. Government deregulation and the Internet have blasted oen an industry long characterized by carrier cartels, price fixing, and information asymmetry. Now emerging on the landscape are new, Web-based "infomediaries."

By conservative estimates, the maritime transportation industry is a $105.5 billion industry-perhaps even upwards of $500 billion. It was predicted that in 1999, individual ocean carrier lines would surpass $5 billion in sales (growing at 5-10% per year) with margins of 4-5%. Growth is expected to continue into 2002-2004 with improving margins due mainly to industry consolidation and improving conditions in the Pacific Rim economies.

When a shipper needs to transport goods by ship, he contacts a freight forwarder who can transport them by land or air to the port facility. The shipper will buy container space on an ocean carrier from a consolidator, who has purchased the carrier's excess capacity at a wholesale rate in the spot market. Larger shippers normally deal directly with ocean carriers in the direct contract market. At the port authority, the containers filled with shipper's goods are inventoried, documented, inspected for legal compliance by customs, loaded, and finally put to sea on ocean carriers. The shipper's customs compliance is managed by a customs broker hired by the shipper for a fee to clear goods through the inspection process. Shippers typically pay freight forwarders a commission of 1.25-2% on ocean freight for services rendered. Carriers are usually paid a container freight rate of $200-$3,000 per container by the shipper in a direct contract market and a wholesale freight rate of $45-$70 per cubic meter by the consolidator in the spot market. The consolidator can then sell the container space that was bought at a wholesale rate, to another shipper at a premium of 3-10x the rate the consolidator has paid the carrier.

Upon arrival at a port of entry, containers are off-loaded, inventoried, and examined by customs agents. Finally, the shipment is forwarded from the port to a transload facility where goods are separated from the container, inventoried, loaded onto ground or air conveyance, and forwarded to the final destination.

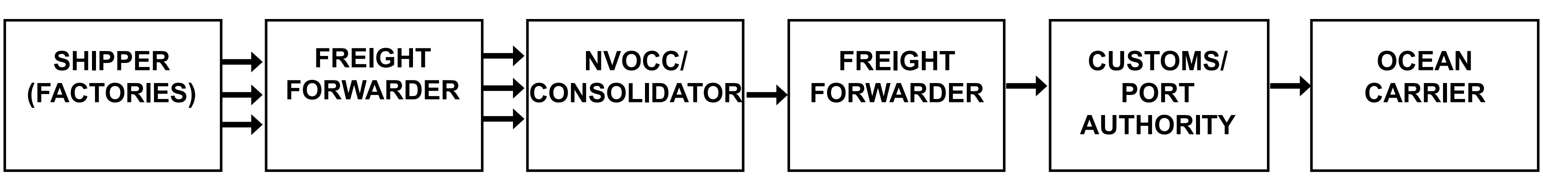
The various intermediaries that connect shippers to carriers — including non-vessel common carriers (NVOCCs) or consolidators, freight forwarders, customs brokers, transload facilities, port authorities, and various other intermodal transportation providers — comprise an approximately $61 billion market.

Over the past three years, the maritime transportation industry has been in dramatic transition. A confluence of factors, driven by government deregulation and technology, has begun to shift the balance of power in the shipper-carrier relationship (especially from carriers to shippers).

Since 1916, the ocean transportation industry has essentially been run by cartels - dubbed "conferences" - that controlled key areas of maritime commerce. The Ocean Shipping Reform Act of 1998 (OSRA) is effectively ending regional shipping cartels by introducing free-market pricing through confidential, one-to-one contracts between shippers and carriers. Despite friction between shippers and carriers, the number of direct contracts is on the rise and intermediaries are growing increasingly uncomfortable with the prospect of being cut out of the loop or having their services commoditized. OSRA does not allow intermediaries (such as NVOCCs and freight forwarders) to enter into confidential contracts with shippers, putting them at a distinct disadvantage to carriers - in fact, NVOCCs may market their services to shippers only via publicly available tariffs.

The other factor driving change in the maritime transportation industry is information technology. Deregulation has created opportunities to address the industry pain and enhance cooperation among shippers, carriers, and their supply

## The Maritime Supply Chain



chain partners. Via the Internet, shippers and carriers may now match need to capacity faster and more efficiently than ever thought possible. Moreover, shipping capacity will no longer be contracted by price alone (pre-OSRA) but may now be based on customer service and company reputation. Additionally, the Internet offers the potential for shippers to benefit from real time supply chain management, including order/shipment initiation, en route tracking of goods, customs verification, and delay alerts.

The maritime shipping industry is notorious for poor communication among its players and for mediocre physical and informational supply chain management. Supply chain management and third-party logistics services have not yet reached most of the maritime transportation industry.

The carrier leaves many shippers starving for information about the status of goods and (unpleasantly) surprised if shipments fail to reach their respective destinations on time, or at all. Shippers have been forced to accept pricing terms form carriers that do not reflect market forces of supply and demand, while transportation intermediaries have not been providing the level of service required. In addition, the penalties for compliance failures or legal violations are severe and can exceed the value of a shipment. The forwarders' and brokers' reputations are often based not only on efficiency in transporting goods, but also on exact compliance with the numerous international customs regulations. Moreover, the industry has been plagued by a wide range of logistical deficiencies, including:

- lack of transparent information on orders/shipments in the supply chain (i.e., shippers want to be able to track movement of their goods through the supply chain)
- workflow and procurement inefficiencies
- poor customer service
- reactive (not proactive) supply chain management
- industry-specific, information-intensive requirements (i.e., customs, legal compliance, etc.)
- poor inventory management

It is very expensive for carriers to get new customers due to the global distribution of shippers. Yield management is poor, as there is no efficient way to allocate unused space on ships. And carriers often face high transaction costs and time-consuming negotiations with a shipper or shipper agent.

The potential decoupling of information flow from physical goods flow is highly significant to the future of the maritime transportation industry. While managing the information flows associated with 95% of the world's shipped goods opens vast opportunities for new, Web-based entrants to create and capture value, it also pushes the physical flow of goods - the livelihood of the various transportation intermediaries - toward merciless commoditization.

This technology-driven decoupling in an environment of deregulation has the potential to exert tremendous downward pricing pressure on ocean carriers, which are currently being invited - but will eventually be forced - to cooperate with high-tech intermediaries by quoting global freight rates via the Internet. Moreover, consolidators and freight forwarders that have traditionally controlled the 30% spot market for carrier capacity may see their market share dwindle (some analysts are predicting 20% within a year) and may even eventually vanish.

## Criteria for Determining Freight Rates On Ocean Container Carriers

- Port of load and port of discharge (i.e., distance and difficulty of trade route)
- The value of the goods being shipped (i.e., the higher the value, the higher the carrier's insurance costs and the higher freight rate)
- The frequency of shipment of the goods
- The relationships with the shipper (i.e., big customer, bigger discounts)
- The size and type of the container (i.e., refrigerated containers are the most expensive)
- Whether the shipment contains oversized freight that needs special handling
- Freight rates set by the Federal Maritime Commission (this process is being phased out due to deregulation)

Industry experts say OSRA strongly favors shippers over carriers and large intermediaries (such as consolidators and freight forwarders). Therefore, carriers are threatened by Internet-driven rate squeezing while intermediaries face potential extinction.

No wonder ocean carriers are worried that online rate quoting could commoditize ocean freight and create downward price pressure. Moreover, NVOCCs/consolidators may face the greatest danger since shipers may soon be able to arrange transportation directly with carriers.

This raises some questions: Will carriers and intermediaries embrace technology and develop the value-added services shippers are demanding? Will they cooperate with new, Web-based entrants? "Transportation is a commodity," says John Fontanella of AMR Research Inc., "and it's going to end up being priced like a commodity." The next several years may yield profound changes to the structure of the maritime transportation industry, as start-ups rise and giants fall, based upon their ability to meet the challenges of this new, dynamic environment.

A new breed of Web-based "infomediaries" is seeking to add value by bringing efficiency and information transparency to the marine cargo business. Among the four current players—GoCargo, (e)raterequest, FreightGate, and Celarix—several important similarities exist. First, all claim to view the NVOCC as a customer, despite the fact that it is the NVOCC from whom, in most cases, the infomediaries are siphoning business. For example, all these Web entrants are working to bring shippers and carriers together through online "exchanges." Exchanges aim to reduce the delay and brokering costs associated with identifying and contracting ocean carriers, typically in an auction or "auction-like" format. Previously, the NVOCCs managed their own paper-based exchange.

Even more threatening to the NVOCC is the intention of some infomediaries to manage all the information that accompanies the physical flow of goods. If successful, Celarix could capture the traditional customs compliance, shipment tracking and other information-intensive tasks that NVOCCs once managed. In short, the Web entrants are positioning themselves as NVOCC "friendly," when NVOCCs actually stand to lose the most.

Not all Web exchanges operate in exactly the same fashion. Some players focus on the spot market without addressing longer-term contract agreements. Also, the exchanges assign varying levels of importance to price and carrier reputation. Another important variation among the companies is their range of product offerings. While GoCargo and (e)raterequest offer similar services, FreightGate is closer to a transportation portal than an exchange. Celarix, which offers a complete logistics solution, is in a category of its own.

**GoCargo** is primarily an exchange service whose strategy is to deliver both competitive prices and quality to shippers. Customers enter their shipment profile into the system (which includes shipment size, type of goods, point of origin, point of destination, and preferred delivery time) and then can choose among winning bids entered by carriers. Shippers enjoy complete transparency to carriers' identities and prices.

Moreover, carriers can compete based on brand name, specialization, and past relationships. GoCargo service is free to the shipper, but the carrier must pay around 2.5% of the total contract amount.

GoCargo currently focuses on the spot market for marine cargo capacity, which accounts for 30 percent of total shipping dollars. Soon, GoCargo.com intends to provide a marketplace for longer-term contracts, which constitute the remaining 70 percent of shipping dollars. The combination of GoCargo's spot market services with contract services gives shippers a new way to attract and review a large number of bids from carriers in a time-efficient manner.

**(e)ratequest**, like GoCargo, operates an online exchange. However, it is focused on providing the lowest rates for shippers through an auction. For example, a shipper can specify the price it wishes to pay for a given shipment, and within 24 hours, (e)ratequest will deliver the contact information of the lowest-cost carrier. Note that shippers using the (e)ratequest service cannot view the two or three lowest bids submitted for their request; they can view only the lowest rate, and are totally blind to the identities and prices of other bidders. (e)ratequest service is free to the shipper, but the carrier must pay about 2.5% of the total bid amount.

Currently, (e)ratequest focuses on the spot market for marine cargo capacity, so its customers tend to be smaller, less sophisticated shippers who care less about quality than price.

**FreightGate** has taken a different approach from its peers. Launched as a transaction portal to build a broad user base of shippers and carriers with information services, transport tools and news, the company also provides an online exchange for carriers and shippers.

Generally, FreightGate's marketplace is more geared to the needs of carriers than shippers. For example, Shippers enter their requests at a preferred price, and then carriers are allowed to review the bids. Carriers then pay an undisclosed percent of the total bid price to FreightGate. In addition, FreightGate generates revenues from banner ads.

**Celarix.com** is both similar and radically different from the other players. Celarix provides a marketplace, iExchange, on which carriers and shippers can link up. Shippers can submit requests for container space at a given price and then review several offers proposed by carriers. Iexchange is not an auction, as it discloses the identity and bid of several carriers, thus giving full choice to shippers while allowing carriers to compete on more than price. Celarix also allows shippers to request bids only from certain preferred carriers. Currently, Celarix does not charge for its iExchange service.

What differentiates Celarix considerably from its competitors is its *iSuite* product, a supply-chain system that manages the information flow attendant with all maritime cargo shipments. This information is extremely valuable to service-intensive retailers and other shippers trying to increase inventory turns, manage retail stock, and meet seasonal shipping needs. Similar to FedEx's "value" model, Celarix is aimed at high-value shipments that yield a high "return on information."

Celarix markets *iSuite* directly to a major shipper, such as Levi Strauss, and then uses the shipper's leverage and embedded relationships with carriers and other supply-chain participants to drive the Celarix methodology into the entire supply chain. For example, data would be entered into the Celarix.com Web interface as a container of clothing goods left Levi's factory in China, as it arrived at a consolidator's warehouse, as it boarded the ship, through customs compliance and customer-side consolidation, all the way until its arrival at a retail outlet. Celarix hopes to capture a fee for their iSuite service based on a currently undisclosed value-pricing model.

The very recent incorporation of GoCargo, (e)raterequest, FreightGate, and Celarix makes predictions regarding their success particularly speculative. Since each brings a unique set of values to carriers and shippers, all four could capture a respectable fraction of this large market and prosper.

However, (e)raterequest seems least likely of the four to succeed. A system so price-centric may eventually alienate smaller shippers. Also, (e)raterequest's auction system may discourage the participation of established carriers with strong brands and reputations, as it does not allow shippers to browse among several bids or view the identity of alternate bidders. This low-price emphasis could lead to a perception that (e)raterequest is a "bargain basement" shipping clearinghouse. Worse, (e)raterequest could attract the worst carriers to their system, thus increasing the chance of unsatisfied customers and, ultimately, their defection to a competitor.

GoCargo boasts a model that delivers value to both shippers and carriers. It's not clear, however, how GoCargo will continue to benefit from the carrier-shipper relationships it facilitates. Once GoCargo has brokered a successful contract relationship between shipper and carrier, what happens when a shiper needs to renew this contract? Assuming the relationship was successful, can the parties simply bypass GoCargo and renegotiate their contract on their own? Paradoxically, the better job it does in building strong shipper-carrier relationships, the less likely it is to enjoy repeat business.

FreightGate boasts over 16,000 hits per day, no doubt due to the broad range of services and tools the site provides. From this perspective, FreightGate has built a powerful franchise among shippers and carriers that will pay off in the form of advertising revenues.

Its revenues from the online exchange, however, seem less sturdy. Unlike the other players, FreightGate is partial to the carrier, offering them the choice among shippers with a given willingness to pay. While this may be a compelling way to attract a rich range of carriers, the other sites offer shippers a better value proposition by letting them choose which carrier is more reliable or has the best price or both. Shippers, especially those with high-value goods and respectable scale, will naturally choose exchanges that provide them with the information advantage. In the end, the sites that own these premium customers will theoretically be able to attract a multitude of carriers.

Celarix's model is both compelling and risky. It offers tangible value to shippers through shipment transparency as well as the exchange. While Celarix offers similar efficiencies to carriers in the form of increased customer outreach, higher customer satisfaction (assuming its supply-chain management system functions properly), Celarix also wields power over the carrier, which could result in grudging carrier participation. Celarix's future is heavily dependent on building a base of shipper clients who can then help it burrow its systems deep into and across the supply chain. Theoretically, its relationship with shippers should drive compliance and participation on the part of freight forwarders and carriers. But recently Celarix's list of carriers seemed thin, and populated most by "mom and pop" carriers.

None of the other sites have engineered as "sticky" a relationship with both carriers and shippers as Celarix could build over time. The simultaneous application of iExchange and iSuite could build a virtuous flow of "Celarix-compliant" carriers who would then reengineer their approach toward managing shipment information. To this end, Celarix could lead a new wave in carrier automation and become a true leader on whom carriers rely to help take the costs out of their processes. Meanwhile, the shiper is tied into the network of data entry points that Celarix has established and continually maintains.

At this stage, Celarix is a high-risk bet, but theirs is a winner-take-all model that, if executed successfully, could drive superior returns and high barriers to entry.

And how are NVOCCs and other "bricks and mortal" intermediaries dealing with the infomediary threat? The intermediaries researched for this report did not indicate that they were taking any proactive actions to counter the infomediary threat directly. In fact, a few are actually using the online exchange to help their shipper clients match with carriers. But why would a shipper pay an intermediary to access an infomediary's site on their behalf?

Several factors inhibit the intermediaries from starting infomediaries of their own. First, they lack the technical personnel and Internet savvy to populate such a business in the short term. Second, they risk cannibalizing their existing analog systems, which, in the words of one industry expert, "are so disorganized and cryptic as to justify the rates they've charged shippers for years." Finally, management within the intermediaries necessarily acknowledge the infomediary threat. To date, the infomediaries have been careful to position themselves as "intermediary friendly." Surely, the traditional players can hardly overlook the false positioning of the infomediaries much longer.

A likely scenario is that a large, traditional player like Tower Group will purchase an infomediary and work to transform its business in order to meet the challenges of a post-OSRA, Internet-enabled world.

*This article was adapted from a paper produced for the Harvard Business School. For more information, contact author Anthony S. Marino via e-mail at:* amarino@mba2000.hbs.edu

# A Marine Glossary

- ***Shipper (importer/exporter):*** the entity in need of transportation services (i.e., retailers such as Williams Sonoma or the GAP, commodity producers such as Getty Oil, or any of thousands of smaller retail and manufacturing firms).
- ***Carrier (ocean carrier):*** the tntity that provides maritime transportation services (i.e., major lines such as SeaLand or Maersk, or any of several smaller carriers).
- ***NVOCC (Non-Vessel-Operating Common Carrier)*** or Consolidator: the entity that pulls together cargo from multiple shippers (in the realm of container shipping). NVOCCs have a dual role:

  a. In the contract market (70% of transactions), NVOCCs act mainly as consolidators for large shippers' cargo. (Some large NVOCCs provide freight forwarding services as well as administrative functions, such as tracking, documentation, and customs compliance.)

  b. In the spot market (30% of transactions), NVOCCs buy space wholesale from carriers - often at discounted pricing and minimum volume commitments (by offering a combined package of goods) - then sell the space to freight forwarders or directly to shippers.

- ***Forwarder (freight forwader):*** the entity that facilitates intermodal transportation of cargo at various points among the supply chain from factory to final destination.
- ***Broker (customs broker):*** the entity that manages the complex administrative tasks associated with importing/exporting, including U.S. and local government documentation and tariff compliance.
- ***Port (port authority):*** the entity that controls a specific geographical entry/exit point for the global shipping industry.
- ***Trans-load facility (hub):*** the entity that separates containerized cargo into deliverable units (essentially the opposite function of a consolidator) to facilitate its next stage of transportation.
- ***Intermediary:*** a freight forwarder, consolidator, broker, or other party that plays a value-added role in the segment of the supply chain between shipper and carrier.
- ***Infomediary:*** a next-generation intermediary that uses Web-based technologies to bring information transparency and efficiency to the marine shipping supply chain.

# DOD/MTMC NEWS

## Electronic Payments Speed Freight Company Compensation

Sweeping changes are underway in the way the Military Traffic Management Command pays its carriers. Almost half of the domestic freight bills are now being paid via the on-line software system PowerTrack — the vast majority in three days. Formerly, transportation companies would wait from 44-77 days to be paid via the paper-intensive payment process of the Defense Finance and Accounting Service.

PowerTrack is an electronic commerce system developed by U.S. Bank. “The big savings comes when we get it all on line,” said Mary Lou McHugh, Assistant Under Secretary of Defense for Transportation Policy. “Yes, we are achieving savings. Yes, we are downsizing staffing.” McHugh spoke at a March 1 meeting to review commercial payment processes co-sponsored by the Department of Defense, American Trucking Associations and the National Defense Transportation Association Surface Committee.

The goal is to implement PowerTrack for the bulk of carrier payments by the end of the year, she said. To date:

- Traffic management staff at 162 of 394 DoD installations that handle 99 percent of military freight shipments have been trained. The goal is to train the other 232 by June.

- Now using PowerTrack are carriers in 147 different companies, which are among 272 commercial carriers that handle 99 percent of military freight shipments. Another 78 carriers are under contract for PowerTrack. Over 90 percent of PowerTrack bills are paid within three days. In turn, U.S. Bank charges carriers 2 percent of the freight bill for their service.

Shippers gave generally favorable reviews of PowerTrack.

McHugh predicted that Government Bills of Lading will shrink rapidly away, perhaps even eliminated late this year, with increasing use of PowerTrack.

## MTMC Pilot Test Continues

The “Three State Reengineering Pilot Test” being conducted by the Military Traffic Management Command (MTMC) has been extended into its second year of operation. The Command’s pilot program was phased into operation in North Carolina, South Carolina, and Florida in January and February of 1999.

In its preliminary reports to Congress, MTMC has reported that, although the number of anticipated shipments in the pilot program is about half of what was expected in the first year, it is seeing positive results from the test. For example, pilot participants indicated a higher level of satisfaction with their moves, and that loss and damage claims were settled, on average, seven times faster.

The General Accounting Office (GAO) commented, in a December 1999 report to Congress, that the preliminary pilot results are inconclusive, but do provide positive indications. The report advised that the Department of Defense and MTMC were finally addressing the methodology to evaluate the success of the Pilot in meeting the Department's goals for reengineering. GAO further commented that one remaining issue is to establish baseline transportation and process costs to allow determination of any cost savings or transfer of government costs to the private sector.

## MTMC Pilot Status

| | Projected/ Baseline | Actual (as of 3 Feb 00) |
|---|---|---|
| Number of Shipments | 18,500 | 9,233 |
| Customer Satisfaction | 75% | 77% |
| On-Time Pickups | 98.2% | 97.7% |
| On-Time Deliveries | 92.8% | 92.8% |
| Claims Rate $$ | $740 | $719 |
| Claims Frequency | 35% | 16.38% |
| Days to Settle Claims | 126 days | 27.9 days |
| Small Business Participation | 39% | 46% |

From industry's perspective, the one difference in the MTMC Pilot Test is that for once the carrier has been allowed to have direct contact and communication with the military service member — the real customer.

MTMC is required to provide a subsequent report on the pilot test to Congress no later than April 28, 2000.

## MTMC Contract Awards Boost Best Value Concept

The movement of Department of Defense cargoes around the world has been boosted by the awards of 21 contracts by the Military Traffic Management Command.

The Universal Service Contract 02 awards went to 13 ocean carriers and could mean potential revenues exceeding $400 million.

The one-year contracts provide a minimum of cargo to ocean carriers as an incentive to maintain quality liner service, according Len Priber, of MTMC's Joint Traffic Management Office.

John Culmer, an acquisition specialist who spearheaded the contracting process, said the existing contract "was based on low cost and did not recognize the carriers who provided quality ocean transportation and transportation services on a consistent basis. Under best value, we are willing to pay more for quality service."

The Universal Service Contract 02 rewards more cargo to carriers who provide quality service on a consistent basis. The contracts guarantee a total of 37,683 40-foot container equivalent units. In addition, a total of 57,581 measurement tons are guaranteed to carriers providing break-bulk service. (A measurement ton is a unit of space equivalent to a pallet-size load.)

Contracts were awarded to Farrell Lines, Inc., of New York; Maersk Line Limited, of Washington, D.C.; American Roll-on Roll-off Carriers, of Woodcliff Lake, N.J.; FESCO Agencies North America, Inc., of Mill Valley, Calif.; Waterman Steamship Corp., Washington, D.C.; Crowley Maritime Corp., of Washington, D.C.; Lykes Lines Limited, LLC, of Tampa, Fla.; Matson Navigation Co., San Francisco; Central Gulf Lines, Inc. of Washington, D.C.; APL, of Washington, D.C.; P&O Nedlloyd, of Ruthorford, N.J.; Eastern Car Liner, LTD, of El Paso, Texas; and Philippines, Micronesia & Orient Navigation Co., San Francisco.

# Pentagon's Finances in Disarray

*By John M. Donnelly, Associated Press Writer*

The U.S. military's bean counters are under fire from investigators who say their books are so messed up they can't be audited.

Pentagon accountants last year made nearly $7 trillion in adjustments to their financial ledgers to make them add up. They could not show receipts for $2.3 trillion of those changes, and half a trillion dollars of it was just corrections of mistakes made in earlier adjustments, according to the Defense Department's inspector general.

Each adjustment represents an accountant's attempt to correct a discrepancy. The military has hundreds of computer systems to run accounts as diverse as health care, payroll and inventory. But they are not integrated, don't produce numbers up to accounting standards, and fail to keep running totals of what's coming in and what's going out, Pentagon and congressional officials said.

"These [$6.9 trillion in] entries were processed to force financial data to agree with various data sources, to correct errors, and to add new data," the report said. "The magnitude of accounting entries required to compile the DoD financial statements highlights the significant problems DoD has producing accurate and reliable financial statements with existing systems and processes."

The department's "internal controls were not adequate to ensure that resources were properly managed and accounted for, that DoD complied with applicable laws and regulations and that the financial statements were free of material misstatements," it added.

"One expects that the financial statements of an entity, whether of an agency or a company, should reflect accurately what the department or company has and fairly present the results of their operations," said Jay Lane, chief of the inspector general's finance and accounting directorate. "We're saying we can't audit that to tell you that."

The military says it owns $119.3 billion in ships, trucks, jet engines and more. But its inspector general said he could not verify that because records lacked supporting documentation.

Financial records are not in good enough shape to face an audit, let alone pass one, the inspector general said.

As jumbled as its books are, the Pentagon is not alone: Only 11 of 24 big federal agencies could produce reliable financial statements for the fiscal year that ended Sept. 30, said Sen. Fred Thompson (R-Tenn.), Chairman of the Senate Government Affairs Committee.

Still, the Pentagon had much more not to account for than the other 10 agencies. The military says it spent $275.5 billion in fiscal 1999, said Lisa Jacobson, director of the defense financial audits at the General Accounting Office, the investigative arm of Congress.

The inability to account for where the money went doesn't just make the military less efficient, she and others said, but also makes the armed forces less responsive to the will of Congress.

Without sound costing data, the Pentagon can't make good decisions, they contend. For example, they say, the military can't measure the results of closing a base; can't effectively decide whether to contract out a service or keep it in government hands; and may inaccurately peg the cost of programs under debate, from missile defense to retirees' health care.

“Last year, the Defense Department corrected errors in its bookkeeping that totaled $2.3 trillion—more than the entire federal budget,” Thompson said in a statement, calling them “changes made to plug holes for things they couldn’t explain.”

“Congress is not assured that DoD is spending money in accordance with its wishes,” the GAO’s Jacobson said.

Despite their criticisms, Jacobson and others say the Pentagon is improving. Its comptroller, William Lynn, said in a statement that the military’s computer systems are good enough to make it accountable to Congress. But he added: “Unfortunately they do not do a good job of producing financial statements.”

The first year agencies were required to say whether their books could be audited was fiscal 1996. This is the fourth consecutive year the Pentagon has answered no.

“When you spend money, you account for it - that is required in the federal government,” Jacobson said. “But DoD doesn’t have that. They just said ... ‘We had money, we spent it.’

“Then they try to go back later and say how they spent it and try to put the balance sheet together.”

*—SOURCE: Yahoo News.*
*Reprinted with permission*

# FYI

Personal Property Division

March 6, 2000

Dear Sir/Madam:

The Personal Property Division (PPD), Headquarters, 598th Transportation Terminal Group intends to utilize a new automated distance calculation product known as the Defense Table of Official Distances (DTOD) in the Intratheater Personal Property Program. The DTOD replaces all existing publications for determining mileage for billing purposes. The DTOD is the DoD standard source for distance information worldwide. Commercially, DTOD is known as PC*MILER by ALK Associates, Inc. The DTOD/PC*MILER will be used for all distance calculations, analysis, and for transportation payments and audits. All carriers and third party providers participating in the Intratheater Personal Property Shipping Program must agree to be bound by the DTOD/PC*MILER distance calculations for payment and audit purposes. Information regarding DTOD Compliant Commercial Software and other technical information can be obtained by contacting ALK Associates Inc. at 1(800) 377-Mile or on the Internet at www.pcmiler.com.

The DTOD/PC*MILER Table of Official Distances will calculate both “shortest” and “practical” mileage. Currently, DoD and the Household Goods carrier industry use the “shortest” mileage to calculate the distances used for payment purposes. “Shortest” routes represent distances and routes that a driver would take to minimize total distance traveled while still following a truck navigable route. DoD will continue to use the “shortest” routes. Carriers and/or other parties who choose to use PC*MILER will have opportunities to provide feedback to ALK Associates regarding distance database suggestions such as distance differences, road preference suggestions, road reclassification, new locations, etc. ALK Associates will provide all interested parties the capability to license PC*MILER, to ensure the ability to consistently determine the exact mileage that the DoD uses for payment and auditing.

The effective date for use of the DTOD in the Intratheater Personal Property Shipping Program is 1 October 2000. All shipments picked up on or after the effective date will be governed by the DTOD.

All shipments are subject to the terms and conditions of the PPGBL, the rules and regulations contained herein, and the carrier Tender of Service on file with PPD. Where rates or other services are based on mileage, the distance or mileage computations shall be those provided in the DTOD.

In the event that you have any comments concerning the use of the DTOD in the Intratheater Personal Property Shipping Program and the implementation date, please submit your comments to the Personal Property Division no later than 21 April 2000.

Point of Contact for this action is Mr. Howard, 0711-680-5313/FAX 0711-680-5203 or email PPD@ntmail.eucom.mil.

Sincerely,

JOHN T. DANIEL
Director, Personal Property Division

# TRANSPORTATION NEWS

## Truckers Protest Oil Prices

In February about 300 independent truckers descended on Washington to protest soaring diesel fuel prices. Many trucks have been sitting idle since prices soared upward of $1.50 a gallon - even more in the East. In some cases, that increases the daily cost of operating a rig by $100.

As the price of crude oil hovered around a 10-year high of $30 a barrel, oil prices are now up 150 percent over the $12-a-barrel price of just a year ago. The truckers, who don't want to pass the higher costs on to consumers, say they would settle for reasonably priced diesel. Many blame their current predicament on the Organization of Petroleum Exporting Countries (OPEC), although the United States produces only about half the oil it consumes.

Several large carriers have been able to impose fuel surcharges, but smaller ones tend to have insufficient market clout to do so. Some analysts predict that the squeeze in operating margins could accelerate the consolidation in the industry.

— *SOURCE: Traffic World*

## Canadian Truckers Seek Fuel-Tax Relief

While U.S. truckers were massing on Capitol Hill, independent Canadian truckers blockaded the Nova Scotia-New Brunswick border for two days, snarling traffic in Quebec and Ontario, to protest skyrocketing fuel prices.

Despite this and other demonstrations in Canada, the federal and provincial governments say there's nothing they can do about rising fuel prices. Prime Minister Jean Chretien suggested the truckers simply pass their extra costs on to their customers. "When you have added costs, you transfer it to the people you are working for," he said.

But owner-operators say that's easier said than done, especially for independents in an increasingly competitive industry. They would prefer that governments drop their fuel taxes, which account for 8 cents a liter in federal taxes and another 4 cents a liter in Ontario. Removing the federal taxes for three months would save truckers an estimated C$123 million. Ontario Premier Mike Harris does not favor a cut in provincial fuel taxes because there is no guarantee it would be passed on to consumers.

## Eurotunnel Freight Up

Eurotunnel, which operates the cross-channel rail link between England and France, increased truck traffic by 19 percent last year despite rate hikes in midyear.

Growth in its freight piggyback shuttle service accelerated in the last quarter of 1999, up some 31 percent over the same period in 1998. But the operation continued to lose business from freight railways, with tonnage slipping 0.6 percent in the second half of 1999, following a 16 percent drop in the first six months of the year. Passenger car shuttle traffic also decreased by 3 percent.

In total, Eurotunnel, which competes directly with English Channel ro/ro ferries, handled 13 million tons of truck and rail freight, compared with about 11 million tons in 1998. Its tunnel was used by 19 million people, including the shuttle services and the Eurostar passenger train service, down from 20 million people the year before.

Eurotunnel's net operating income was about $925 million in 1999.

— *SOURCE: John G. Parker, Traffic World*

## The 2000 Annual Meeting: It's Not Too Early to Make Your Reservations!

This year's Annual Meeting will be held at the Egan Convention Center in Anchorage, Alaska, October 1-3. Early registration begins on September 30. Both of the following hotels will be used to house our delegates.

### HILTON ANCHORAGE

Phone: (907) 272-7411

Toll-Free: (800) 245-2527

**Rates:**

- Single: $135
- Double: $155

### HOTEL CAPTAIN COOK

Phone: (907) 276-6000

Toll-Free: (800) 843-1950

**Rates:**

- Single/Double: $125

*We urge you to call early to make your reservation — both hotels are ready to offer bookings.*

## HHGFAA: ISO Sponsors

HHGFAA is in search of sponsors for events, prizes, calendars, tote bags, and other give-aways and amenities for the 2000 Annual Meeting to be held in Anchorage, Alaska, this fall.

Signing on as a sponsor is a great way to advertise your company while you support your Association. You can help make this historic Year 2000 Annual Meeting an occasion to remember!

For information on how you can get lots of "bang" for your sponsorship buck, contact Bel Carrington at HHGFAA.

**Phone:** (703) 684-3780

**Fax:** (703) 684-3784

**E-mail:** bcarri7850@aol.com

# Industry News Industry News

## APPOINTMENTS

AE Nationwide, headquartered in Mahwah, N.J., has announced the appointment of **Todd Graham** as the firm's new President. In his new position, he is responsible for all activities of AE Nationwide.

Graham began in the family business in 1986 delivering and installing appliances sold in the company retail store. "I look forward to the challenges ahead," he said. "The consolidation of the van lines, the growing role of third parties, and the challenges of e-commerce are rapidly changing our industry and offer exciting new opportunities for us."

❖

MoveAssist, a U.K.-based HHGFAA member, has named **Dirk Koeleman** Vice President of Marketing. He is responsible for the worldwide marketing of the company's computerized management products for the international and domestic moving industry. Dutch by birth and raised in the United States, Koeleman has been in the moving business all his working life. He began in 1973 and has worked extensively in the U.S., the U.K., Germany, and The Netherlands. Most recently he spent eight years as Marketing Manager for the UniGroup. He is fluent in English, Spanish, German, and Dutch.

❖

Also at MoveAssist, **Sarah Govett** has been hired as a Training Consultant. She will provide instruction and assistance worldwide to new and existing users of the company's computerized management and communications systems for the industry.

Before moving to the U.K., Govett had over 5 years' experience in the international moving industry in the Far East. She started in Hong Kong, first with TCI and later with Global Silverhawk, then spent two years with Four Winds in Singapore.

❖

**Christina Nigro**, of Household Movers Services, Ridgewood, N.J., has achieved the designation of Certified Moving Consultants. The CMC designation acknowledges an individual as having met the experience, training, and ethical standards established in 1974 by the National Institute of Certified Moving Consultants.

❖

**James P. Matisin** has been named Vice President of Buisness Development at Asian Tigers K.C. Dat (S) Pte Ltd in Singapore. Matisin, who has worked in the relocation industry for over two decades, will help guide K.C. Dat in overall strategic planning and business development.

Educated in the United States and overseas, Matisin has lived and worked most of his life in Southeast Asia. His management experience began in 1975 at Smyth Worldwide Movers, where he was Regional Manager for Southeast Asia, based in Singapore. In 1979 he formed the Matco Pacific Group to provide a platform to develop and provide advanced logistics and moving solutions to the growing international community. In 1997, he joined the Baltrans Group (of Hong Kong), where he designed and developed a personal effects division in Singapore.

❖

Interstate Worldwide Relation, Springfield, Va., has announced several appointments in its Sales Department.

**Joan Hicks, Jonathan Hilbert**, and **Debra Torlone** have joined the sales staff and will represent the company as sales consultants for the private transferee sector. Hicks previously served as director forAIM Training Programs in Washington, D.C., and most recently handled sales for Meridian Moving in Fairfax, Va. Hilbrint has a solid sales track record in the relocation industry, having been affiliated with both Wheaton Van Lines and Atlas Van Lines. Torlone, who has experience as a real estate agent, brings a strong understanding of the particular challenges facing private transferees.

**Thomas McGee**, a relocation specialist in the Government Services Administration arena, has been named manager of Interstate's GSA andnational accounts. McGree has over 5 years' experience in representing the unique relocation needs of GSA clients, most recently with Sterling Moving & Storage, a northAmerican Van Lines agent.

Interstate also has established a Special Products Division to consolidate oversight for its relocations of more fragile, high-value products, such as delicate artifacts and sensitive electronics. **Richard Evasius**, a 10-year industry veteran, was named account manager for the new division. He previously was associated with northAmerican, Mayflower, and United Van lines, and most recently spearheaded business development for Victory Van corporation, an Allied agent.

❖

**William H. Cain** has succeeded Gunnar Moeskjaer as Managing Director at Santa Fe Transport (S) Pte Ltd. In Singapore. Moeskjaer has returned to his native Denmark after six years as Managing Director.

Cain brings 19 years of experience in the moving industry, primarily in Asia. He has held management positions at K.C. Dat and Global Silverhawk in Singapore. Prior to joining Santa Fe Movers, he was Vice President for AMJ Campbell International in Vancouver, Canada.

Cain will focus on continuing the growth and dominance of Santa Fe in the Singapore market.

## Quality in the E-Commerce Age

Achieving the best possible quality of service is a top priority of top moving companies worldwide. Customers, particularly corporate accounts, are increasingly demanding, so the struggle to be recognized for excellence has never been more intense.

MoveAssist has for many years supplied the international moving industry with its computerized management products. These allow companies to integrate all their operational functions to provide seamless transfer of information throughout the removal process from the first contact through final delivery. The MoveAssist products were developed specifically for the moving industry and reflect a significant change in operation procedures.

Recognizing that modern movers need cutting-edge technology to compete on an increasingly competitive world state, the company is launching its latest product, Move Manager, this spring. Move Manager is an extension of the MoveAssist product, designed specifically for international movers serving the corporate market. Move Manger builds on the success of the existing system, but brings it smartly into the new century by linking companies with their customers, agents, and suppliers via interactive services over the Internet.

Company Vice President Dirk Koeleman said Move Manager "provides a level of communication and efficiency that was inconceivable only a few years ago. It will help companies demonstrate their commitment to quality and provide them with a competitive advantage for many years."

## Suddath to Sell Data Storage Centers Division

The Suddath Cos., a Jacksonville, Fla.-based corporate relocation firm and United Van Lines agent, will sell its Data Storage Centers business to Iron Mountain Inc., a Boston company that is the country's leading records management and information services company.

President Stephen Suddath said the sale was prompted by consolidation in the records management industry and the company's growth strategy. DSC, launched in 1986, operates in 15 cities and employs about 200 people. Nearly all of DSC's managers and sales personnel will be employed by Iron Mountain or elsewhere in the Suddath organization.

## MTMC Commander Tours Interstate Facilities

Maj. Gen. Kenneth L. Privratsky, Commander of the Military Traffic Management Command, honored Interstate Worldwide Relocation with a visit to its headquarters, and praised the company as "a world-class organization."

The general's visit to Interstate was part of an effort to establish a rapport with industry representatives and to gain exposure to the actual operating environment of a transportation and relocation management company. Privratsky selected Interstate based, in part, on its reputation as a major military carrier and its participation in all of DoD's current household goods pilot programs.

Interstate is the second-largest mover of household goods and personal effects of DoD service members and is the only van line ever to win the military's prestigious MTMC Quality Award for customer satisfaction - a feat it has accomplished twice in the last four years.

Interstate representatives guided Privratsky on a tour of the company's administrative departments, national training center, maintenance facilities, and storage warehouses. Following the tour, he chaired a roundtable discussion to gain industry input on the various DoD programs, including the existing pilots.

Afterward, Privratsky praised Interstate for being a leadership in the moving industry. "If every company operated the way Interstate does, we would have no problems," he said.

## Harsch Opens Branch in Zurich

Harsch Transports, headquartered in Geneva, Switzerland, opened a new branch in Zurich last fall. Located only 10 minutes from Zurich Airport and close to the highway network, the branch was opened in response to growing demand from the company's clients and agents in this important Swiss economic area.

Harsch now has 6,000 sq.ft. of office and warehouse space and a team of 10 people with removal vans and all necessary equipment to handle international moves into and out of the Zurich area according to Harsch's high quality professional standards.

The Zurich branch manager is Peter Schnider.

## HONORS AND AWARDS

**Cathcart Allied Storage Co., Inc.**, Alpharetta, Ga., has achieved FAIM accreditation. FAIM (FIDI Accredited International Mover) is sponsored by FIDI, the Belgian-based federation representing the professional international moving industry. The program reflects a thorough and rigorous audit of a company's approach to quality processes.

❖

Also achieving FAIM accreditation was **Crown Worldwide Moving & Storage**, of San Leandro, Calif. Though the certification is sponsored by FIDI, the actual audit of companies is handled independently by Ernst & Young, and is repeated every two years.

❖

This year, the Peruvian company **Carbonell Transports SA** is celebrating its 30th anniversary. In addition to performing moving and forwarding services, Carbonell is the only ICEFAT (International Convention of Exhibitions and Fine Art Transporters) agent in Peru, according to company President Felipe Carbonell.

Carbonell Transports has been responsible for packing and transporting the "Treasures of the Inkas" exhibit to Memphis, Tenn., as well as for handling numerous other important Peruvian exhibits.

Felipe Carbonell also serves as Vice President of APACIT (Peruvian Air Cargo Association), and was founder and a former President of ALACAT (Caribbean and Latin American Air Cargo Association). He also is Director for APACIT in the Business Coalition Anticontraband of Drugs (CEAD), which works with the Peruvian Police as well as U.S. drug enforcement agencies. CEAD has been recognized by U.S. authorities for its work in preventing drug expoerts to the United States.

Recently Carbonell Transports launched a benefit tennis tournament in which about 100 foreign and Peruvian diplomats and members of international organizations compete. All proceeds go to the Roncalli Foundation, which helps some 3,000 street children.

❖

**MoveAssist** has won Netscape's "What's Cool" award for its new Internet Website: ***www.movinghome.com.***

Netscape chooses its award-winning sites based on content, design, and flawless execution. It also considers personality, relevance, utility, and links as well as the site's clarity, utility, and speed. According to Netscape, sites that win the award "are making the Web an enjoyable and exciting experience for the moving community."

*Movinghome.com* provides a wealth of information to people preparing to move within the U.K. or abroad. It includes information on most destinations; a glossary of shipping jargon; a list of international movers worldwide; news from the moving industry; the opportunity to locate a reputable moving company nearby; and links to many other related sites.

**Send your news and photos (slides or prints, please) to:**

**Bel Carrington, HHGFAA**
**2320 Mill Road, Suite 102**
**Alexandria, VA 22314**

# Welcome New Members

**Heino Preissler**
Vice President
Air Van Lines
International Inc.
HHGFAA Chairman

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.

## Active Member

Mr. Richard L. DeWitt
Approved Forwarders, Inc.
9089 Clairemont Mesa Blvd., #301
San Diego, CA 92123
Tel: (858) 560-1690
Fax: (858) 277-7188

## Associate Members

Ms. Kelly Moran
A-Mrazek Moving Systems
545 Leffingwell Ave
Kirkwood, MO 63122
Tel: (314) 822-4200
Fax: (314) 822-8297
E-Mail: mrazek@stlnet.com
No of Years in Business: 96
Sponsors: Crystal Forwarding, Inc., CA
Inter-Trans Insurance Services, Inc., CA

Mr. Michael Skoglund
Art Moving International AB
Tegelbruksvagen 17-19
126 34 Hagerstein, Sweden
Tel: (46) 8 685 6860
Fax: (46) 8 685 6840
E-Mail: michael.skoglund@artmoving.se
No of Years in Business: 1
Sponsors: Paxton Van Lines, Inc., VA
Gebr. Van den Berg Verhuizingen BV, The Netherlands

Mr. Esmeria S. Roca de Osorio
Asuncion Vanpack S.R.L.
Colon 846 entre Humaita y Piribebuy
Asuncion, Paraguay
Tel: (595) 21 494 967
Fax: (595) 21 494 969
E-Mail: asupack@pla.nd.py
No of Years in Business: 10
Sponsors: Transquadros Mudancas e Transportes Ltda, Brazil
Confianca Mudancas & Transportes, Brazil

Mr. Nashat Nassif
East International Freight Forwarders
70 Mohamed Farid Abu Haded St.,
Nasr City, Cairo, Egypt
Tel: (202) 4031001 • Fax: (202) 4031552
No of Years in Business: 10
Sponsors: Express Internatinal Co., Egypt
Freight Systems International, Inc., Egypt

Mr. Dirk BeiBner
Ernst BeiBner GmbH & Co. KG
International Removal Forwarder
Bultstr . 9, 30159 Hannover, Germany
Tel: (49) 511 81 50 81 * Fax: (49) 511 85 51 32
E-Mail: BeissnerD@aol.com
No of Years in Business: 10
Sponsors: Crown Worldwide Movers, UK
Gosselin World Wide Moving N.V., Belgium

Mr. Stefano Fors & Ms. Jennifer Nilsson
MTAB Transport & Spedition AB
Box 20164, Ranhammarsvagen 26
161 02 Bromma, Sweden
Tel: (46) 8 98 18 70 • Fax: (46) 8 90 70 42
Sponsors: GLC Flytt AB, Sweden
OY Victor EK AB, Finland

Mr. Oliver Rogar
Pro-Log
Parc des Joncaquiers - RN 368
13170 Les Pennes Hirabeau, France
Tel: (33) 0 4420 20247 * Fax: (33) 0 4420 26791
E-Mail: Prologmarseille@aol.com
No of Years in Business: 5
Sponsors: Gateways International, WA
Ryans World, CA

Mr. Yan Haryono
PT. Buana Wasesa (BW-Movers)
Perkantoran Tanjung Priok Permai
Indah Blok F-17
Jl. Lakada M. Nasir No. 29
Surabaya 60165, Indonesia
Tel: (62) 31 328 3650
Fax: (62) 31 328 3654
E-Mail: bwmovers@rad.net.id
No of Years in Business: 7
Sponsors: Merasco International, Indonesia
P.T. Langlang Buana, Indonesia

Mr. Arturo J. Pena
Pacific Crating and Shipping, L.L.C.
1088 Revere Ave
San Francisco, CA 94124
Tel: (415) 822-1449
Fax: (415) 822-1809
E-Mail: pcscrateship@worldnet.att.net
No of Years in Business: 20
Sponsors: VIP Transport Inc., CA
Compas International Movers, Belgium

Mr. Oyvind Gundersen
Stavanger Flyttebyra A/S ByBud-Service
Dusavikvn. 21, N-4007
Stanvanger, Norway
Tel: (47) 51 53 04 75
Fax: (47) 51 52 49 07
No of Years in Business: 60
Sponsors: Mathisen Transport AS, Norway
UTS Europe B.V., The Netherlands

Mr. Mahmoud Jalajel
Yusuf Ahmed Alghanim & Sons W.L.L. - Alghanim Freight
P.O. Box 223
13003 Safat, Kuwait
Tel: (965) 476 3666
Fax: (965) 476 2710
Sponsors: Nazha Freight Service, Syria
Express International Company, Egypt

# Requests for Associate Membership

*Per Article IV, Section 1 of the By-Laws, which states, "Notice of every application for Associate Membership shall be given to each Active and Associate Member, who shall have thirty (30) days from date of such notice to submit evidence that the applicant is not creditworthy," the following companies have submitted their applications for membership:*

## Associate Member Requests

Mr. Bruno Bertoncini
Aerofreight Cargo (Holdings) Limited
16 Grosvenor Way, Mount Pleasant Hill
London E. 5 9ND, England
Tel: (44) 208 806 5800
Fax: (44) 208 806 9222
E-Mail: sales@aerofreight.co.uk
No of Years in Business: 10
Sponsors: Cargo Forwarding, London, England
Excess International Movers, London, England

Mr. Henry Mead
Intertrans Movers (Natal) (PTY) Ltd.
124 Teakwood Road, Jacobs
4067 Durban, South Africa
Tel: (27) 31 465 4566
Fax: (27) 31 465 2203
E-Mail: intrans@mweb.co.za
No of Years in Business: 23
Sponsors: Glens Removals & Storage, Harare, Zimbabwe
Stuttafords (Zambia) Ltd, Lusaka, Zambia

Mr. Jurgen Pein
J. Pein Spedition
Cuxhavener Str. 5
D-28217 Bremen, Germany
Tel: (49) 421 380 9900 • Fax: (49) 421 380 9902
E-Mail: pein_forwarders@hotmail.com
No of Years in Business: 5
Sponsors: Inter Sea Port Service, GmbH, Bremerhaven, Germany
Wilheim Rosebrock (GmbH & Co), Bremen, Germany

Mr. Steve Court
Transmove
Cherwell House, Southfleet Road
Bean, Kent, DA2 8BS, London, England
Tel: (44) 147 483 4884
Fax: (44) 147 483 4885
No of Years in Business: 28
Sponsors: Bishop's Move, London, England
Renmer International Movers, Middlesex, England

# Price List for Selected HHGFAA Publications and Miscellaneous Items

| TITLE | CONUS MEMBERS | OVERSEAS MEMBERS |
|---|---|---|
| Commercial Shipping Guide | $ 10.00 | $ 20.00 |
| Laminated Damage & Repair Guides | 12.00 | 12.00 |
| Defense Transportation Regulations Part IV (replaces the PPTMR) | 40.00 | 55.00 |
| HHGFAA Freight Forwarders Tariff #4 | 15.00 | |
| HHGFAA Membership Directory | 25.00 | 35.00 |
| Rate Solicitation I-11 | 35.00 | 50.00 |
| Rate Solicitation I-12 | 35.00 | 50.00 |
| How Congress Works: A Layman's Guide to Understanding Congress | 10.00 | |
| Active Members Mailing Labels | 15.00 | 20.00 |
| U.S. Associate Members Mailing Labels | 20.00 | 25.00 |
| Overseas Associate Members Mailing Labels | 40.00 | 50.00 |
| Training Video: Packing & Loading Military Shipments | 20.00 | 50.00 |
| Training Video: Packing & Loading Commercial Steamship Containers | 20.00 | 50.00 |

## ORDER FORM

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**Company** ______________________________

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**Phone (        )** ______________ **Fax (        )** ______________

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|---|---|
| ______________________________ | $ __________ |
| ______________________________ | $ __________ |

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**Name on card:** ______________________ **Exp. date** _________

**Signature** ______________________________

***All orders must be accompanied by check/money order payable to HHGFAA or credit card information. Mail with this form to:***

***HHGFAA • 2320 Mill Rd., Suite 102 • Alexandria, VA 22314.***
***OR, fax with credit card information to (703) 684-3784***

# Washington Update

by Jim Wise
The PACE Companies

## Industry Hot Buttons

Over the next few months, your government relations team will address a number of issues of vital concern to our association and our industry. Four are discussed below, with others sure to emerge as the appropriations process clashes with the electoral process.

### Full Service Moving Program (FSMP)

There is no more pressing issue for our government relations efforts than the FSMP. This is an extension of the Hunter Army Airfield Pilot Program and the solicitation of this pilot program has already been released. DoD plans to initiate the FSMP in the National Capital Region (17,000 moves), Georgia (26,000 moves), and North Dakota (2,000 moves), with participation by all of the service branches.

HHGFAA and other industry representatives have met with the DoD many times in order to address our remaining concerns regarding this program, notably 1) the ability of small businesses that comprise the bulk of the industry to effectively compete for business under the FSMP; and 2) the methodology by which tonnage would be distributed.

Industry inquiries prompted Members of the House Small Business and Armed Services Committees to query DoD officials on several concerns:

**1. Small Business Participation.** There are two distinct opportunities for direct small business participation in the FSMP pilot. First, they may bid on the contract to provide move management services, although given the requirements of the contract, it appears that few, if any, small businesses could meet the conditions of the contract. Second, they may provide transportation services.

However, there are complex problems dealing with the contracting vehicle under which this program will operate. One of the considerations is to place the program under the Federal Acquisition Regulations (FAR). However, if the FAR is used, all contracts for the provision of goods and services of more than $2,500 and less than $100,000 must be set aside for small businesses. One concern with this approach is that there is no provision in the proposal for move managers to limit the selection of transportation providers for DoD personnel relocations that fall within this range.

Another possibility is to operate the program under the General Bill of Lading (GBL). However, operating under a GBL may create a conflict with the directives of the Secretary of Defense, who has expressed his preference for moving away from such a contracting vehicle.

A key concern raised by Congress is the type of insurance coverage necessary to qualify as a transportation provider. Given the costs and other problems associated with meeting the insurance requirements set forth in the transportation provider agreements, it appears that numerous providers, particularly smaller ones, will opt not to participate. If only one or two are willing to participate because of overly strict and onerous insurance requirements, DoD may not be able to meet its goal of providing the move managers a sufficiently competitive market from which to select a potential transportation provider.

**2. Strengthening Safeguards for Distribution of Tonnage.** Among DoD's list of qualifying providers, move managers will select transportation providers. While it appears that some safeguards are in place to ensure that a move management firm does not use preferential treatment in choosing the provider, Congress has some concerns that greater scrutiny is needed to maintain a level playing field and avoid potential abuse.

The tonnage distribution method chosen for the FSMP pilot has the potential for collusion between move management firms and transportation providers regardless of whether the latter are affiliated with the move managers. Congress has asked DoD to take steps to ensure that inappropriate business behavior is not occurring between the move management companies and transportation providers. Alternatively, Congress has raised the possibility of having an independent party distribute tonnage, which could help prevent collusion without hindering efforts to improve quality.

**3. Adding Safeguards to Ensure a Strictly Non-biased Performance Evaluation**. To ensure consistently high quality service, DoD plans to use a third party to assess the performance of the transportation providers. Congress urged that move managers not be involved in performing the quality assessment, but that they should be able to provide necessary information to that third party. Otherwise, there could occur the type of collusive activity that DoD attempts to prevent by allowing the contracting officer to terminate for default due to a move manager's bias toward an affiliated transportation provider. This issue remains under discussion and review.

**4. Job Security.** Clearly, one aspect of the FSMP will be to reduce DoD contracting officers' oversight of relocations and transfer that responsibility to the move managers. Congress wants to be provided with any estimates of the number of civil servants or members of the military whose jobs may be eliminated by either the pilot or full implementation of the FSMP.

## FY 2001 Defense Authorization Act

In the last Congress, there was an effort to bypass the normal contracting process by allowing the DoD to outsource a series of contracts without competitive bidding. This procedure, which was contained in Section 805 of the FY2000 Defense Authorization Act, was approved by the Senate last year. Essentially the language in last year's Senate bill would allow DoD the ability to procure up to $5 million of a variety of services with just three phone calls. According to the proposed language, DoD would not have to take competition into consideration, nor would it be required to consider small business concerns including set-asides, minority business interests, or bundling issues. Section 805 was inserted into last year's DoD legislation without hearings, public discussion or an evaluation of what this would do to the affected industries or the many small businesses that comprise them.

While the HHGFAA government relations team was able to exempt the transportation and relocation industry from the legislation, we are aware that the DoD wants to revisit the issue again this year. It is our understanding that there will be another attempt in this session of Congress to extend the reach of this section to include our industry.

## Contract Bundling

Due to ongoing federal budget reduction efforts, many agencies, under the auspices of "reinventing government," have systematically tried to consolidate (or bundle) what traditionally have been small business contracts in an effort to achieve program administration savings. The contracts most frequently selected for bundling are generally larger and cover several years, thus requiring more equipment, personnel, insurance and bonding, or areas of responsibility.

Federal law prohibits bundling because it offers false economies — at least according to federal studies conducted by the Small Business Administration. While there may be an initial agency savings in program administration, the loss of competition for the contract generally results in higher operating costs and degradation of services (due to the obvious lack of competition). Contract bundling has squeezed thousands of small businesses out of the procurement marketplace and left others with their contracts slashed drastically. SBA's detailed report on the impact of contract bundling on small businesses shows small businesses losing more than $180 billion in federal procurement market share and increasing threats from all agencies.

As we reported earlier, in a single four-year stretch over 7,000 small businesses stopped doing business with the government. SBA believes that the government may be going to fewer, but much fatter contracts.

HHGFAA is working with Congress to configure the FY2001 SBA Reauthorization Act to include strong language to address contract bundling. Legislative proposals to strengthen federal law in this area will be publicized soon. Meanwhile, the House Small Business Committee plans an examination of the bundling issue through additional hearings on the matter. HHGFAA intends to be a prominent player in this process.

### Ocean Shipping Reform Act (OSRA)

As a result of the changes in U.S. shipping laws under OSRA, small NVOCCs, forwarders and shippers have alleged abuse of antitrust by the steamship companies. Rep. Henry Hyde (R-IL), chairman of the House Judiciary Committee, has introduced the FAIR Act, which would eliminate antitrust exemptions for ocean carriers. A hearing was held on March 22 to examine the need to continue the antitrust exemption. At the hearing, the chairman of the Federal Maritime Commission testified in favor of retaining the exemption, while a representative from the Justice Department recommended its termination. This split among government agencies reflects the divergence of opinion on the matter. The Committee did receive testimony regarding the exemption's impact on service contracts, cargo preference requirements, and the so-called "talking agreements." Of particular interest to the Committee was the question of what U.S. interest is served by the continuation of antitrust immunity for steamship companies, particularly absent the existence of any global U.S. steamship company.

In May, the House Transportation Committee will hold an oversight hearing on OSRA. Like Judiciary, the Transportation Committee has heard from a great number of small NVOCCs, forwarders, and shippers who have alleged abuse of antitrust by the steamship companies. Both committees' hearings will cover OSRA and its impact on service contracts, cargo preference requirements, and talking agreements. ■

## Advertise in the 2000 HHGFAA Membership Directory

HHGFAA has begun preparations on the 2000 Annual Membership Directory. By now, you will have received a Directory Update Form to be completed and returned to the Association. Meanwhile, shouldn't you consider placing an ad in the Y2K edition? Your advertising in the Directory ensures that others will see your name every time they open the book. It's a sensible and cost-effective way to market your company while you support your Association.

But time's running out, and there are only a few spaces available for new ads. For information about advertising opportunities

# Industry Calendar

| | | |
|---|---|---|
| April 3-6, 2000 | MTMC-HQ Training Symposium & Conference | Atlanta, GA |
| April 7-8, 2000 | CPPC Workshop | Chicago, IL |
| April 8-14, 2000 | FIDI Institute Seminar | New York, NY |
| April 13-16, 2000 | GA/SC Movers Conference | Myrtle Beach, SC |
| April 13-17, 2000 | AFDI Conference | Ajaccio, Corsica |
| April 30-May 2, 2000 | Ohio Association of Movers Annual Convention | Newark, OH |
| May 7-10, 2000 | Washington Trucking Assns./WMA Convention & Tradeshow | Stevenson, WA |
| May 9-14, 2000 | California Moving & Storage Assn. 82nd Annual Convention | Incline Village, NV |
| May 10-11, 2000 | GSA International Products and Services EXPO | San Diego, CA |
| May 10-13, 2000 | Employee Relocation Council Meeting | Nashville, TN |
| June 1-3, 2000 | BAR Conference | Brighton, UK |
| July 16-18, 2000 | National Council of Moving Associations Annual Meeting | Atlantic City, NJ |
| Aug. 14-15, 2000 | Military Personal Property & Claims Symposium | Alexandria, VA |
| Aug. 25-27, 2000 | AFRA (Australian Movers) Conference | Freemantle, Australia |
| Sep. 12-14, 2000 | AMSA Board Meetings and Annual Convention | Long Boat Key, FL |
| Sept. 23-29, 2000 | FIDI Sales Management Seminar | Vancouver, B.C., Canada |
| Sept. 24-27, 2000 | Council of Logistics Management 2000 Annual Conference | New Orleans, LA |
| Sept. 28-29, 2000 | Wisconsin Truck Movers Convention | Madison, WI |
| Sept. 28-29, 2000 | 15th Annual PAIMA Meeting | Anchorage, AK |
| **Oct. 1-3, 2000** | **HHGFAA 38th Annual Meeting** | **Anchorage, AK** |
| Oct. 1-5, 2000 | 55th Annual NDTA Transportation and Logistics Forum & Exposition | Albuquerque, NM |
| Oct. 8-12, 2000 | Paul Arpin Van Lines Annual Agent Convention | Providence, RI |
| Oct. 11-13, 2000 | American Red Ball Convention | Las Vegas, NV |
| Oct. 14-15, 2000 | Covan Conference | Destin, FL |
| Oct. 23-25, 2000 | CPPC 33rd Convention | Las Vegas, NV |
| Oct. 24-27, 2000 | Employee Relocation Council Fall Symposium | Washington, DC |
| Nov. 1-4, 2000 | 47th Annual Wheaton Partnership Conference | Biloxi, MS |
| Nov. 4-10, 2000 | FIDI Institute Seminar | Rotterdam, The Netherlands |
| Nov. 7-11, 2000 | 7th ITS World Congress | Turin, Italy |
| Nov. 9-11, 2000 | NC Movers Convention | Raleigh, NC |
| Week of Nov. 13, 2000 | MTMC – Europe (598th) Training Symposium | Sonthofen, Germany |
| Nov. 15-18, 2000 | Atlas Van lines 53rd Annual Convention | Marco Island, FL |
| March 29-31, 2001 | AMSA Management Conference & Trade Show | Tucson, AZ |
| May 4-7, 2001 | BAR Conference | Manchester, UK |
| May 8-13, 2001 | CMSA 83rd Annual Convention | Maui, HI |
| May 11-12, 2001 | Kentucky HHGC Annual Convention | Lucas, KY |
| May 16-19, 2001 | WTA/WMC Convention & Trade Show | Blaine, WA |
| Sept. 29-Oct. 3, 2001 | 56th Annual NDTA Transportation and Logistics Forum & Exposition | Madison, WI |
| April 21-25, 2002 | FIDI Congress | Cairo, Egypt |
| Oct. 5-9, 2002 | 57th Annual NDTA Transportation and Logistics Forum & Exposition | Greensboro, NC |
| **Oct. 8-10, 2002** | **HHGFAA 39th Annual Meeting** | **Las Vegas, NV** |
| Oct. 14-18, 2002 | 9th ITS World Congress | Chicago, IL |

***Send calendar items to HHGFAA • 2320 Mill Road • Alexandria, VA 22314***
***Or fax to (703) 684-3784 • E-mail: hhgfaa@aol.com***

# WEBSITES TO SEE

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

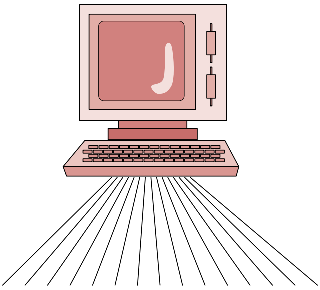
HHGFAA: *hhgfaa.org*
A.Alternativa: *a-alternativa.com.br*
Air Animal: *airanimal.com*
APA Worldwide: *cool.co.cr/usr/apa/apa.html*
APL Services: *apl.com*
Arab Italian Shipping: *globalsilverhawk.com*
Arrowpak Int'l: *sales@arrowpak.co.uk*
Atlas Int'l Movers: *atlas-movers.nl*
Bon-Accord Int'l: *utsbonaccord.co.uk*
Brazil Worldmover: *brazilmover.com*
Capitol Trans: *capitoltransportation.com*
Crown Worldwide: *crownwms.com*
Desbordes Int'l: *desbordesinternational.com*
DeWitt Trans. Services of Guam: *dewitt.com.gu*
Excargo Services: *excargo.com*
Excess Int'l Movers: *overseasremovals.com*
Freight Int'l: *freightinternational.com*
Fukuoka Soko Co.: *fukuokasoko.com/moving*
Garcia Trucking: *garciatrucking.com*
Gateways Int'l: *gatewaysinternational.com*
Globalink: *globalink.kz*
Gosselin Worldwide Moving: *gosselin.be*
Harsch Transports: *harsch.ch*
Hilton Anchorage: *anchorage.hilton.com*
Homepack Freight Int'l: *geocities.com/-hompk*
Household Movers Services: *www.hmsusa.com*
Interdean: *interdean.com*
Intermove: *Intermove.com*
International Wood Industries: *intlwoodind.com*
Interport: *interport.com.sg*
J. Calenberg: *calenberg.com*
JVK Movers: *jvkmovers.com*
La Vascongada, S.L.: *vascongada.com*
Lykes Lines: *lykeslines.com*
Maersk: *maerskline.com*
Magna International Movers: *magna.co.za/magna*
Mark VII, Inc.: *markvii.com*
MoveAssist Int'l: *moveassist.com*
Nationwide Relocation Int'l: *nrii.com*
NEER Service: *neerservice.com or neerservice.fr*
New Haven Moving Equip.: *newhaven-usa.com*
Oman Moving & Storage: *oman.ie*
P.T. Global Removindo: *globalsilverhawk.com*
Pac Global Ins. Brokerage: *pacglobalins.com*
PAIMA: *paima.com*
Phoenix Transport Services: *phoenix-transport.de*
Rhema Movers: *rhemamovers.com.sg*
Santa Fe: *santafe.com.hk*
SCANVAN: *scanvan.com*
Sea Bird Services: *seabird.com.eg*
SIT Transportes Internacionales: *sit-spain.com*
Sterling Int'l: *sterlingmovers.com*
TechMate International: *TechMateIntl.com*
The Guardian Svcs Group: *guardianservices.com*
The Moving Company: *themovingcompany.co.nz*
Trans Movers Worldwide: *centrin.com/tran/move*
Translink: *translink.co.th*
Transpack Packing & Frt. Fwd: *Transpack.com.pk*
Transworld Movers Brazil: *transworldmovers.com.br*
Travel Guard: *tginternational.com*
Welti-Furrer: *welti-furrer.ch*
Worldwide Movers: *wwmovers-africa.com*

## Selected E-mail addresses:

HHGFAA: *hhgfaa@aol.com*
A.Alternativa: *transp@a-alternativa.com.br*
Activa Mudanzas Diplomaticas: *activa@sol.racsa.co.cr*
AGS Benin: *agsbenin@bow.intnet.bj*
AGS Burkina Faso: ags@liptinfor.bf
AGS Cameroon: *agsdla@douala1.com*
AGS Central African Republic: *agscra@intnet.cf*
AGS Chad: *agschad@intnet.td*
AGS Egypt: *wmegypt@eis.egnet.net*
AGS Gabon: *ags@inet.ga*
AGS Ghana: *agsghana@africaonline.com.gh*
AGS Guinea: *agsguinee@mirinet.net.gn*
AGS Ivory Coast: *agsci@africaonline.co.ci*
AGS Kenya: *agskenya@kenyaonline.com*
AGS Madagascar: *agsmad@dts.mg*
AGS Malawi: *agslilongwe@malawi.net*
AGS Mali: *agsmali@malinet.ml*
AGS Morocco: *mulot@marocnet.ma*
AGS Morocco (Rabat): *agsrabat@cyberinfo.net.ma*
AGS Mozambique: *agsmoz@virconn.com*
AGS Niger: *agsniger@intnet.ne*
AGS Rwanda: *ags@rwandatel1.rwanda1.com*
AGS Senegal: *tdicasal@telecom-plus.sn*
AGS Tanzania: *agstz@africaonline.co.tz*
AGS Togo: *agstogo@cafe.tg*
AGS Uganda: *ags@infocom.co.ug*
AGS Zambia: *ags@zamnet.zm*
Air Animal: *petmover@airanimal.com*
Anglo Pacific Int'l: *antiques@anglopacific.co.uk*
APA Worldwide: *apawwm@sol.racsa.co.cr*
Arab-Italian Shipping: *aisco@ncc.moc.kw*
Ashoka Int'l: *ashokint@ndb.ysnl.net.in*
Asian Tigers K.C.Dat: *kcdat@kcdat.com.sg*
Atlas Int'l Movers: *info@atlas-movers.nl*
Bon-Accord Int'l: *imports@uts4408.co.uk*
Brazil Worldmover: *worldmover@brazilmail.com*
Cathcart Allied Stge: *cathcart@cathcartallied.com*
Claims Adjustment Technology: *lbscatbox@aol.com*
Desbordes Int'l: *info@desbordesinternational.com*

DeWitt Trans. Svc Guam: *ezdewitt@dewitt.com.gu*
Excess Int'l: *imports@overseasremovals.com*
Freight Int'l: *removal@emirates.net.ae*
Freight Systems Co. Ltd. (L.L.C.): *albert@net.fsldxbho.co.ae*
Froesch (Russia): *froesch1@online.ru*
Fukuoka Soko Co.: *moving@fukuokasoko.com*
G.E.P.: *gepbox@compuserve.com*
Gateways Int'l: *gateways@themovers.com*
Gil Stauffer: *international@gil-stauffer.com*
Globalink: *Globalink@asdc.kz*
Graebel: *tdrapal@graebel.com*
Harsch Transports: *harsch@harsch.ch*
Homepack Freight Int'l: *hmpk@cyberaccess.com.pk*
Interdean London: *idi@interdea.interdean.co.uk*
Intermove: *move@Intermove.com*
Intermud: *intermud@guate.net*
Interport: *sales@interport.com.sg*
Interstate Int'l: *Intl@invan.com*
J. Calenberg: *info@calenberg.com*
Jennif Worldwide Movers–Singapore: *jennif@cyberway.com.sg*
JVK: *thailand@jvkmovers.com*
Kotaisan: *ktsprima@centrin.net.id*
La Vascongada, S.L.: *comercial@vascongada.com*
Leader Freight Forwarders: *leadpack@emirates.net.ae*
Magna Int'l Movers: *removals@jhb.magna.co.za*
Mark VII International: *MVIIntlHou@aol.com*
MoveAssist Int'l: *sales@moveassist.com*
Movements Int'l: *mim.sydney@onaustralia.com.au*
Nationwide Relocation Int'l: *nrii@deltanet.com*
Neer Service: *paulin@neerservice.fr*
New Haven Moving Equipment: *nhmela@aol.com*
Nurminen Prima Oy: *Nurminen.Prima@co.inet.fi*
Pac Global Ins: *sfuhrman@pacglobalins.com*
PAIMA: *paima@sinfo.net*
Pantera Negra: *panteranegra@mail.telepac.pt*
Pelichet, S.A.: *international@pelichet.ch*
Phoenix Transport Services: *phoenix@phoenix-transport.de*
P.T. Global Removindo: *gsilver@rad.net.id*
Premier Worldwide: *premier@iris.dti.ne.jp*
Rex Service Co., Ltd.: *rexco@public.tpt.tj.cn*
Rhema Movers: *general@rhemamovers.com.sg*
SBA Advocacy Office: *advocacy@sba.gov*
Sea Bird Services: *seabird@commnet.com.eg*
Select Svces & Supplies: *SelectSSC@aol.com*
SEM Movers: *semmover@indosat.net.id*
SIT Transportes Intl: *sit.mad@sit-spain.com*
Sterling Int'l: *moving@sterling-intl.co.uk*
T.A. Mudanzas: *tamoving@sol.racsa.co.cr*
The Guardian: *dvaughn@guardianservices.com*
The Moving Company: *c.mccall@TheMovingCompany.co.nz*
The Pace Companies: *jwisepace@aol.com*
Thomas Johnson & Sons Ltd.: *billcompton@johnsonmovers.com*
Thomson Int'l Movers: *thomson-jhb@thomsoninternational.co.za*
Trans Movers Worldwide: *nutrans@centrin.net.id*
Translink: *relocation@translink.co.th*
Transpack Packing & Freight Forwarding Co.: *transpack@isb.comsats.net.pk*
Transworld Movers Brazil: *transw@transworldmovers.com.br*
Travel Guard: *travelguard@worldnet.att.net*
United Prof. Movers: *Fazla@upm.sdnpk.undp.org*
Vanpac: *rauf@vanpac.edunet.sdnpk.undp.org*
Welti-Furrer Ltd: *international@welti-furrer.ch*
Willis Corroon Trans. Risk Svces: *iris@willis.com*
Worldwide Movers Kenya: *wwmke@net.2000ke.com*
Worldwide Movers Tanzania: *wwmtz@raha.com*
Worldwide Movers Uganda: *wwmug@imul.com*

# Link Up with HHGFAA



**You can now link your home page with the HHGFAA Website (www.hhgfaa.org), enabling you to list your company by region and services provided and to contact other members who have e-mail and Websites. The cost: a nominal fee of $100 per year.**

**To link your company with HHGFAA, complete the form below and send to:**


**Household Goods Forwarders Association of America, Inc.**
ATTN: Belvian W. Carrington
2320 Mill Road, Suite 102 • Alexandria, VA 22314


***OR fax credit card orders***
***(Visa or MasterCard only) to (703) 684-3784***

**Name** ______________________________

**Company Name** ______________________________

**Address** ______________________________

______________________________

**Phone** ______________ **Fax** ______________

**Description of Company (20-word limit)**______________

______________________________

______________________________

______________________________

**Web Address** ______________________________

**E-mail Address** ______________________________

**Payment Type:** ❑ **Check** ❑ **Visa** ❑ **MasterCard**

**Credit Card No.** ______________ **Exp. Date:** ______

**Name of Cardholder** ______________________________

**Signature** ______________________________

***For more information, call Belvian Carrington at HHGFAA, (703) 684-3780***

# Forging Strong Links

*At press time, the following HHGFAA member companies are linked to HHGFAA's Website. For information on how you can gain a marketing edge by linking your company as well, see the previous page.*

A Lusitana (São Paulo, Brazil)
A & A Cronin Movers (Dublin, Ireland)
A & S Roseth Int'l (Ontario, Canada)
A.M.S. Atlantic Int'l (Dusseldorf, Germany)
A-1 Trans Korea (Seoul, Korea)
Aachener Int'l (Dublin, Ireland)
Ability Moving & Transfer (Ontario, Canada)
AES Moving & Storage (Budapest, Hungary)
Ahjin Transportation Co. (Seoul, Korea)
American President Lines (Washington, DC)
American Red Ball Int'l (Seattle, WA)
Ashoka Int'l (New Delhi, India)
Asian Tigers K.C. Dat (S) Pte (Singapore)
Asian Tigers Trans China Int'l (Wanchai, Hong Kong)
Asian Tigers Trans China Int'l (Bejing, China)
Asian Tigers Trans China Int'l (Guangzhou, China)
Asian Tigers Trans China Int'l (Shanghai, China)
Atlas Van Lines Int'l (Seattle, WA)
Baker And Company (Warwick, UK)
Baltrans Int'l Moving (Kowloon, Hong Kong)
B.M. Int'l Pvt. Ltd. (New Delhi, India)
Capitol Transportation Inc. (San Juan, PR)
Carver Moving (Richmond, B.C., Canada)
Chess Moving Australia (Regency Park, S.A., Australia)
Circle Freight Int'l (Muscat, Oman)
Columbia World Wide Movers (Limassol, Cyprus)
Crystal Forwarding (Carlsbad, CA)
Decapack (Santiago, Chile)
Dependable Auto Shippers (Dallas, TX)
Desbordes Int'l S.A. (Paris, France)
DeWitt Moving & Storage (Tamuning, GU)
Eagle Shiping Services (London, UK)
Euro-USA Shipping Ltd. (Suffolk, UK)
European American Van Lines (Edgewater, NJ)
Excargo Services (Houston, TX)
Executive Moving Systems (Woodbridge, VA)
Express Int'l Co. (Cairo, Egypt)
Equixpress C.A. (Caracas, Venezuela)
Excess Int'l Movers (London, UK)
Favia Int'l Transport (Cairo, Egypt)
Fidelity & Marine Inc. (Miami, FL)
Freight Systems Int'l (Cairo, Egypt)
Fukuoka Soko (Fukuoka-Ken, Japan)
Furniture Medic Inc. (Memphis, TN)
Gamma Shipping (Yavne, Israel)
Gezairi Group Cargo (Beirut, Lebanon)
Global Packers & Movers (Islamabad, Pakistan)
Global Silverhawk (Carmel, IN)
Global Worldwide (Orange, CA)
Green Van Int'l Co. (Taipei, Taiwan)
Greenbriar Forwarding (Edison, NJ)
Helu-Trans (Singapore)
HL Van Transport (Bassum, Germany)
Humboldt Int'l (Canton, MA)
Interdean AG (Munich, Germany)
Interdean, S.A. (Zurich, Switzerland)
Int'l Wood Industries Inc. (Sherwood, OR)
Interport Executive Movers (Singapore)
Interstate Int'l Inc. (Springfield, VA)
Intrapack De Colombia (Bogota, Colombia)
J. Calenberg (Bonn, Germany)
J. Wilson Removals (Marayong, NSW, Australia)
Japan Express Co. (Tokyo, Japan)
Johann Birkart Int'l Spedition (Raunheim, Germany)
L. Rettenmayer Transitarios (Lisbon, Portugal)
Lidor Shipping Inc. (Kearny, NJ)
Mesa Int'l (Grand Junction, CO)
Mithals Int'l (New Delhi, India)
Moreno Int'l (Monterrey, Mexico)
Mazha Freight Services (Damascus, Syria)
Neer Service France (Aubervilliers, France)
New Haven Moving Equipment Corp. (Los Angeles, CA)
North American Van Lines (Fort Wayne, IN)
P.M. Packers & Movers (New Delhi, India)
PT Sura Raga Transport (Jakarta, Indonesia)
Panda Transporti s.r.l. (Rome, Italy)
Peter E. Reid Stevedoring Inc. (Pago Pago, American Samoa)
Phoenix Transport Services (Bremerhaven, Germany)
Portan S.A. (Bogota, Colombia)
Pirme Movers Int'l (Munich, Germany)
Reliable Van & Storage (Elizabeth, NJ)
S.G. Global S.A. (San Jose, Costa Rica)
Sancalsa Int'l Services (Mexico D.F., Mexico)
Santa Fe Transport (Singapore)
Scanvan Kungsholms Express & Spedition (Stockholm, Sweden)
Shipco Transport (Hoboken, NJ)
S.I.T. Transportes (Madrid, Spain)
Tower Int'l (Bezons, France)
Transeuro Worldwide Movers (London, UK)
Transcontainer Int'l (Tlalnepantla Edo de Mex., Mexico)
Transworld Int'l Movers (Rio de Janeiro, Brazil)
Treyvaud-Interdean SA (Geneva, Switzerland)
Tri Star Freight Systems (Houston, TX)
TG Int'l Insurance Brokerage Inc. (San Juan Capistrano, CA)
Unipack S.A. (Tehran, Iran)
Universal Cargo SRL (Buenos Aires, Argentina)
Universal Household Fwdg. (Tokyo, Japan)
V. Pack & Move Co. Ltd. (Bangkok, Thailand)
Van Der Ent Top Movers (Spijkenisse, The Netherlands)
Vanliner Insurance Co. (St. Louis, MO)
Vayer Group Ltd. (Tel Aviv, Israel)
Voerman Int'l (Leidschendam, The Netherlands)
Wabash Forwarding (Warrensburg, MO)
Weate Moving & Storage (Heidelberg West, Vic., Australia)
Williams Moving Int'l (Vancouver, B.C., Canada)
Worldmover C&R Ltda. (Rio de Janeiro, Brazil)
Worldwide Movers Tanzania (Dar es Salaam, Tanzania)
Worldwide Movers Uganda (Kampala, Uganda)
Worldwide Movers Kenya (Nairobi, Kenya)
Wridgeways The Worldwide Movers (Ringwood, Vic., Australia

# ADVERTISERS' INDEX



## IMPORTANT NOTE TO ADVERTISERS

*The Portal* cannot accept ads or photos submitted via e-mail or on disk. **They must be in the form of prints, slides, transparencies, color separations, or camera-ready copy.** Computer printouts of color ads and photos tend to reproduce poorly and thus also are unacceptable. For rates and deadlines, see the box on next page.

# *PORTAL* ADVERTISING

THE PORTAL

## 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

Prices shown are the **total cost** for one year (six issues).* For 2-color ad (black and burgundy only), add 10%. For 4-color ad (plates must be supplied), add 25%.

**Deadlines to receive new artwork:**

| | |
|---|---|
| May/June Issue | May 5, 2000 |
| July/Aug. Issue | July 1, 2000 |
| Sept./Oct. Issue | Sept. 1, 2000 |
| Nov./Dec. Issue | Nov. 1, 2000 |
| Jan./Feb. 2001 Issue | Jan. 2, 2001 |
| March/April Issue | March 3, 2001 |

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

Phone: (703) 684-3780
Fax: (703) 684-3784

***IMPORTANT NOTICE**

**Films, color separations, or camera-ready artwork is required. HHGFAA does not accept e-mailed or computer-generated files, graphics, or ads on disk at this time.**