



THE PORTAL

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

MARCH/APRIL 2005

What Lies Beyond the Wall? Challenges and Opportunities Of Doing Business in China

2004–2005
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About our cover: *China is emerging as an economic superpower. What opportunities and challenges await when you venture behind The Wall? Coverage begins on page 5.*

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THE PORTAL

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By Terry R. Head
HHGFAA President

Digging to China

When I was a teenager I spent several summer vacations digging to China. Well, not actually, but it sure seemed like it sometimes.

You see, I lived in a semi-rural area of the District of Columbia, where we still had our own wells for drinking water. However, as development and construction grew up around us our groundwater table would drop and our wells would run dry. Seeing an opportunity to make money and stay in good physical shape, my best friend Larry and I were hired by our fathers and several neighbors to dig our water wells deeper.

Each time either Larry or I was being lowered down into the 60- to 150-foot deep, dark wells, we would joke to each other, “I’m off to dig to China,” or “I’ll bet I get to China before you do.”

Well, 40 years later I have not reached China, but I still find myself digging to China, or at least digging up facts and information on China—which is the focus of this issue of **The Portal**.

Whether you live and work in China, have shipments moving to and from China, or just hope to visit there someday, we hope you will find something of interest to you in this issue.

I’m always amused when someone makes a reference to the “new emerging market” of China. It’s true that new opportunities now exist in China for a host of global services, including shipping and forwarding, moving and storage, as well as an array of warehousing opportunities. But China has been there for centuries and was for hundreds of years the world’s leading innovator and a thriving center for trade. You may recall that Columbus was hoping to reach China when he accidentally landed in the Americas.

And no wonder Columbus wanted a piece of that market.

China has a population of 1.3 billion people. That’s one-fifth of the world’s total population. Imagine: If only 100 out of every 10,000 Chinese moved each year — that’s a lot of moves.

China is the world’s leading consumer and importer of copper, aluminum, and cement. And it’s the second-largest importer, behind the United States, of oil and petroleum products. Automobile ownership in China is doubling each year, as is the number of personal computers.

Container shipping volumes from China has grown 25 percent each year since 2002. China now accounts for the entire \$32 billion US trade deficit in advanced technology products, such as stereos, computers, televisions, cellphones, and other electronics. I’ll bet that within 10 feet of where you are now sitting there is a product that was made or assembled in China. Probably no other country could make that claim.

Whether you consider it an old or new market, China is the fastest growing economy in the world, and with that growth comes opportunities and challenges, for both the Chinese and their trading partners around the world.

Allow me to bring it more into focus: In 1998 HHGFAA had only five members in China. In 2005 we have over 40 members in that country, and China is the Association’s fastest growing market.

I invite you to read this issue and learn more about the people and land of China — and then you can determine whether there is an opportunity for you to “dig up” some China-related business for your company.

China—home to 1.3 billion people—has experienced an economic surge unequalled in modern history. Behind The Wall lies a great, largely untapped market for goods and services. There are also substantial opportunities for savvy companies that have done their homework and understand how to work within the Chinese system. Some background you will find helpful begins on page 9.

This issue of **The Portal** contains a wealth of information to guide you through the opportunities and pitfalls of doing business in China. It also features profiles on HHGFAA members that have operations in China—and they have been generous with their advice and in recounting their experiences in working behind The Wall. The profiles section begins on page 19.

China is about much more than the colorful past, teeming cities, and intractable bureaucracies with which many Westerners have come to associate that country. We trust that you will find much of interest in this issue, and that it will enlighten you. China is a fascinating place with a promising future—and it has much to offer companies like yours.



EDITOR'S NOTE: HHGFAA Headquarters will be relocating effective May 1. Please watch your e-mail for updates and refer to the enclosed flyer so that you can make a note of our new address and contact information. Our Website and staff e-mail addresses will remain the same.

Coming Up Next Time in The Portal:

A look at the industry's No. 1 Customer:
The US Government

See the enclosed flyer for details and submission guidelines.

Behind the Wall: What You Should Know About China

China at a Glance

Official name: People's Republic of China

Capital: Beijing

Government type: Communist state

Population: 1,286,975,468 (July 2003 est.)

Languages: Standard Chinese or Mandarin (Putonghua, based on the Beijing dialect), Yue (Cantonese), Wu (Shanghaiese), Minbei (Fuzhou), Minnan (Hokkien-Taiwanese), Xiang, Gan, Hakka dialects, minority languages

Official Currency: yuan (CNY; also referred to as the Renminbi, or RMB)

Currency code: CNY

Area: 9,596,960 sq km total

Land: 9,326,410 sq km



Water: 270,550 sq km

Climate: extremely diverse; tropical in south to subarctic in north

For centuries China stood as a leading civilization, outpacing the rest of the world in the arts and sciences. But in the 19th and early 20th centuries, China was beset by civil unrest, major famines, military defeats, and foreign occupation. After World War II, the Communists under Mao Zedong established a dictatorship that, while ensuring China's sovereignty, imposed strict controls over everyday life and cost the lives of tens of millions of people. After 1978, his successor, Deng Xiaoping, gradually introduced market-oriented reforms and decentralized economic decision-making. Output quadrupled by 2000. Political controls remain tight while economic controls continue to be relaxed.

The world's population will rise from 6.5 billion to 9.1 billion by 2050, according to a United Nations survey released in February.

Much of the growth will take place in the least-developed countries, where a high rate of mortality is outweighed by an even higher rate of fertility. Their current collective population of 800 million is projected to swell to 1.7 billion in 2050.

"It is going to be a strain on the world, but it seems feasible," said Hania Zlotnik, director of the U.N. Population Division. "It doesn't seem that there is a crisis coming, [but] that doesn't mean that some countries are not facing a crisis."

Populations will at least triple in some of the poorest nations — Afghanistan, Burkina Faso, Burundi, Chad, Congo, Democratic Republic of Congo, East Timor, Guinea Bissau, Liberia, Mali, Niger and Uganda.

The U.N. report predicts that nine countries will account for half of the 2.6 billion increase: India, China, Pakistan, Nigeria, the DRC, Bangladesh, Uganda, Ethiopia and the United States.

India is expected to surpass China as the world's most populous country by about 2025, Zlotnik said.

The average life expectancy of a child born in 2050 will be 75, according to the report. A child born today is expected to live, on average, until 65.

Zlotnik warned that the United Nations' predictions depended on controlling the spread of AIDS.

"We cannot emphasize enough the huge impact of this disease," Zlotnik said. "We also have to emphasize that these projections in the long term are assuming that humanity is going to have success in combating the spread of this disease, by mostly behavioral change and prevention."

The population of the most developed countries will remain virtually unchanged at 1.2 billion until 2050, the report says.

Fifty-one countries — including Germany, Italy, Japan and Russia — should have smaller populations in 45 years.

"Since 1990–1995, fertility decline has been the rule among most developed countries," the report says. But the populations of many developed countries with falling fertility rates, such as the United States and the United Kingdom, will increase due to the arrival of migrants. Zlotnik said developed countries will absorb about 2.2 million migrants every year until 2050.

The findings are based on the most recent national censuses.

Paying the Price for China's Growth

By Tim Luard, BBC, China

The sheer scale of China's economic transformation is matched only by the size of the new challenges and dangers it has created. None is bigger than the threat to the environment.

Feeding a fifth of the world's people on 7% of its arable land was never easy — and that land is now shrinking at a rate of 1 million hectares a year.

Economic growth has transformed China

“If you travel out of town you don't find any countryside at all anymore,” complains one resident of Shanghai. “Just more cities”.

The endless grey factories and tower blocks of China's development zones are soaking up the biggest rural migration in human history.

The plan is to move as many as 400 million people to the cities in the next 25 years, people who will need new roads, housing and other infrastructure on a truly massive scale.

Such is China's economic frenzy that a country which was once almost self-sufficient now imports not only grain but also huge quantities of other resources. It is the world's largest consumer of copper, aluminium and cement and the second biggest importer of oil.

While this appetite sparks fears about the long-term effects on the world's raw materials, China's own natural resources — its air, land and water — are already suffering badly.

China has already become the world's second biggest generator of carbon dioxide emissions and could overtake the US as the biggest source of greenhouse gases in three decades.

China Has Made Progress in the Last Two Decades

Yajun Zhang, Henan, China

Already relying on coal for 75% of the country's energy needs, the government has responded to a series of power blackouts by building new, mainly coal-fired power plants, raising the prospect of ever more coal dust and acid rain.

Beijing is trying to reduce air pollution by urging residents to switch their heating to natural gas. But the huge rise in the number of cars on city streets does not help.

Car ownership has been doubling every few years. If per capita ownership were to reach US levels, China would have to find room for 600 million cars — more than exist today in the entire world.



China: Transportation Facts

Railways

- **Total:** 71,600 km
- **Standard gauge:** 68,000 km 1.435-m gauge (14,600 km electrified)
- **Narrow gauge:** 3,600 km 1.000-m and 0.750-m gauge local industrial lines (2002)

Highways

- Total: 1,402,698 km
- Paved: 314,204 km (with at least 16,314 km of expressways)
- Unpaved: 1,088,494 km (2000)

Waterways: 110,000 km (1999)

Pipelines

- Gas: 13,845 km
- Oil: 15,143 km
- Refined products: 3,280 km (2003)

Ports and harbors

Dalian, Fuzhou, Guangzhou, Haikou, Huangpu, Lianyungang, Nanjing, Nantong, Ningbo, Qingdao, Qinhuangdao, Shanghai, Shantou, Shenzhen, Tianjin, Wenzhou, Xiamen, Xingang, Yantai, Zhanjiang (2001)

Airports

500 (2002)

Airports with paved runways (2002)

- Total: 351
- Over 3,047 m: 32
- 2,438 to 3,047 m: 108
- 1,524 to 2,437 m: 143
- 914 to 1,523 m: 29
- Under 914 m: 39 (2002)

Airports with unpaved runways (2002)

- Total: 149
- Over 3,047 m: 4
- 2,438 to 3,047 m: 1
- 1,524 to 2,437 m: 25
- 914 to 1,523 m: 48
- Under 914 m: 71

No Quick Fix for Capacity Shortfalls

Capacity constraints, Congested ports. The constantly escalating flow of containers from China. Who would have thought an economic recovery this good could hurt so much?

The stronger the economy grows, the tighter shippers are squeezed by the “three Cs”: capacity, congestion, and Chinese imports. It’s a grip transport planners are finding hard to break.

Overcrowded air and sea ports, crumbling roads and bridges bustling with tractor-trailers, equipment and driver shortages, hours of service rules and cargo containers waiting on docks and rail sidings have become commonplace enough that shippers are considering dramatic measures to remove the bottlenecks — when they believe the bottlenecks can be removed at all.

“Our perception is that the United States has exported so much of its manufacturing throughout Asia that we don’t have the port, rail or highway infrastructure to handle the volume of manufactured goods that are coming back,” said Nick Delany, senior vice president for Vtech Communications, the Hong Kong-based cordless phone manufacturer.

Delany, located in Portland, Ore., is considering rerouting shipments thousands of miles off their usual route because even the added days of travel time could be cheaper than queuing up at West Coast ports.

Other logistics managers also are searching for solutions to the twin problems of capacity and congestion, scouring carrier markets for last-minute openings, considering changing carriers or even modes and debating other options that might seem desperate in less trying times. Some may find answers by rerouting shipments or changing shipping patterns. Others are discovering that capacity is tight wherever you go. And since each shipper’s capacity problem is to some extent everyone else’s, Delany said, “The moment something horrible happens the ability to catch up is just not there.

Delany wants labor unions and port managers to negotiate more appropriate staffing levels. Last year — between Port of Los Angeles dockworkers resisting additional hiring and Wal-Mart moving holiday merchandise into the country 60 days before Christmas rather than the usual 90 — Vtech waited days instead of hours for its high-value cordless phones to move into domestic transportation channels.

“None of this is going away,” Delany said. “It’ll be worse next year. It’ll be worse two years from now.

“We’re sitting on the assumption that if we continue to go through Los Angeles, we’ll continue to have those problems this year,” he added. “One of the [alternative] methodologies is avoidance,” he said, rerouting shipments through the Panama Canal to Houston.

But so far it doesn’t appear Houston has the number or quality of reliable carriers to move Vtech products to local markets, Delany said. Rail managers in San Antonio have been known to break up car lines longer than 6,000 feet, sidetracking some cars for later transport.

Rail operators should appeal to federal, state and local governments for legislative changes that would allow them to run longer trains, he argued. Then railways should invest in hiring and training to ensure they have the skilled operators needed to handle the increase.

Susan Alt, president and CEO of Volvo Logistics of North America in Greensboro, N.C., said she hasn’t seen congestion this bad in her 15 years in transportation and logistics. “There are simply not enough trucks to carry the load,” she said. “That’s why you see doubles and triples on the road and truckers working at night. The infrastructure is horrendously inadequate.”

The problem isn’t limited to North America, Alt said. She recalled being appalled by the news of a major rail executive in Europe who announced his company would spend several hundred million dollars on infrastructure upgrades in 2005. “That’s a pittance,” she said.

Volvo Logistics has had some success getting other companies to fill private fleet empty backhauls with Volvo shipments, “It’s really hard to find lanes that match, though,” Alt said. “It’s not the luck of the draw. You can map out where carriers are, but the success of that usually builds on the relationship you already have with the carrier.”

Capacity and congestion have become greater problems over the past two years, said David K. Schneider, director of logistics support for The Pep Boys, the automotive parts retailer. Congestion used to be localized to the US Southwest in the months between Halloween and Christmas. “It started becoming a consistent headache in spring 2004,” he said.

Schneider traced Pep Boys’ capacity challenges more to a lack of experienced drivers and reliable carriers than to infrastructure problems. Since every hour of delivery delay costs Pep Boys the equivalent of 5 hours’ overtime in the store, the Philadelphia-based company strives for 100% on-time delivery.

However, Schneider said carriers that focused on reducing costs and bulking up their fleets in response to rising shipment volumes eroded the retailer’s on-time delivery score. Recently the company has been trying to schedule pickups and deliveries within a continuous loop that fees Pep Boys’ five distribution centers as well as its retail stores. “We’ll be doing more of that ‘Grand Tour’ methodology,” he said.

Schneider would like carriers to provide greater “transparency” into their business models and strategies. “Some carriers I wouldn’t even bother talking to,” he said.

Macroeconomic issues loom that could worsen the problem, Alt said.

If and when the dollar recovers lost value against the euro and other foreign currencies, increasing demand for foreign goods will shoehorn more goods into already jammed containers, she said. “There is absolutely no quick fix.”

—SOURCE: William Hoffman, writing in *Traffic World*,
from which this article is adapted.

China Emerges as Global Consumer

China has overtaken the United States in the consumption of basic agricultural and industrial goods, a survey has found.

With a booming economy and 1.3 billion people, it is now the world’s largest consumer of grain, meat, coal and steel, said the Earth Policy Institute.

But China’s insatiable demands are putting ever more pressure on the country’s natural resources. Air and water pollution are already serious problems, and there is talk of a looming ecological crisis.

China is well ahead of the United States in the consumption of goods such as television sets, refrigerators and mobile phones, according to the Washington-based Earth Policy Institute. However, per capita consumption in China — the world’s most populous country — remains far below that of the United States.

According to the report:

- 64 million tons of meat were consumed in China in 2004 compared to 38 million tons in the United States
- 258 million tons of steel were used in China in 2003 compared to 104m in the United States
- China’s factories and homes burned 40% more coal than in the United States
- The number of PCs in China is doubling every 28 months.
- The latest official figures for the Chinese economy, the sixth largest in the world, show it is growing at an even faster rate than expected. It expanded by 9.5% in 2004, its highest rate for 8 years, the figures show.

“China’s eclipse of the United States as a consumer nation should be seen as another milestone along the path of its evolution as a world economic leader,” said Lester Brown, the institute’s president.

“China is no longer just a developing country,” he said. “It is an emerging economic superpower, one that is writing economic history.”

China Fact File: Population

China’s 1.3 billion people make up one-fifth of the world’s population. But strict rules and changing lifestyles have led to lower growth rates. Most urban couples are bound by the “One Child” policy. Rural families are allowed a second child if their first-born is a girl. Many go to great lengths to ensure they have boys which officials believe is leading to a growing gender imbalance.

China is seeing a great movement of population from the rural interior to the cities in the east. In 1950, the urban population represented less than 13% of the total — it is now about 40% and is expected to reach 60% by 2030.



Investing in China: Challenge or Opportunity?

Concerns about an overheated Chinese economy have eased amid signs that the government has cooled red-hot growth in targeted sectors. China's economy is currently experiencing growth of about 8% a year. It should be able to keep growing at that rate for 20 years.



In a quarterly report on China's economy, the World Bank said that despite higher-than-expected 9.5% growth last year, there were "clear signs" of a slowdown in domestic demand and investment growth. The bank said the Chinese government's monetary policy and administrative measures taken last year to slow the economy were showing results. China raised interest rates in October for the first time in 9 years. "The risk of China's economy overheating has declined, as domestic demand growth and consumer price inflation have come down in the wake of measures taken to cool the economy.

SOURCE: The Journal of Commerce



The US Federal Reserve will get help from overseas investors later this year. Heavy buying of Treasuries by China and others in Asia have kept rates low as those countries recycle the dollars acquired exporting to the United States. That helps keep their own currencies soft, promoting MORE export sales. As a result, total holdings of US Treasuries by foreign central banks have nearly doubled in 3 years and have reached about \$1.1 trillion.

Now China and others are likely to slow Treasury purchases as they allow their currencies to gradually rise against the US dollar.

China Pressed on Trade

The Bush Administration has prodded the People's Republic of China to do more to open its markets to US and world commerce in a Jan. 12 Beijing speech by Commerce Secretary Don Evans. China is America's fastest growing export market.

Evans cited a number of critical areas where he said China must do more to earn the status of a bona fide market economy. Steps must include moving to a flexible, market-based exchange rate; cracking down on piracy and counterfeiting; more progress in adopting a stronger and more transparent rule of law; and addressing market-access issues that were agreed to as part of China's accession into the World Trade Organization (WTO), he said.

"Countries aspiring to be treated as market economies must end government intervention and allow market forces to drive their economies," said Evans. "Underpinning all of the needed reforms in China is the need to adopt a stronger and more transparent rule of law. China has made substantial progress in this area but more reform and additional resources for enforcement are necessary."

Evans cautioned that when China's leaders fail to produce results on the points of friction in the US-China trading relationship, "their failure only empowers those critics within the US political system who seek to roll back our level of economic engagement."

Evans had issued comments earlier in the week that were even blunter. Trade on a level playing field has been incomplete and unacceptable, he said. "China must forcefully do more to lift barriers to free trade and confront widespread intellectual property theft that is undercutting American workers," he said. "China's willingness to tackle these challenges head-on will be the most important measure of the success or failure of its efforts."

UPS Expanding Logistics Presence in China

UPS Inc. has opened three new warehouse and distribution centers in China and planned to open another 20 in that country over the next two years.

The three new centers, located near major manufacturing hubs in Shanghai, Suzhou and Futian, brings to more than 40 the number of logistics facilities already operated in China by UPS' Supply Chain Solutions unit.

The company said in a statement it plans to open 10 facilities in China this year and 10 more in 2006.

Beware of the Business Banquet

By Pat Belson, *Bridge Worldwide Relocations*

Doing business in China can be a real culture shock for some. Foreigners often have difficulty in becoming accustomed to certain aspects of life in China. One of those is perhaps the Chinese banquet. A stratagem of Chinese business is the banquet of “blowout” proportions. In meetings with local business people all decisions are postponed until after lunch. You are whisked off to a restaurant of dubious hygienic standards, even though your potential joint-venture host assures you with a beaming smile that the restaurant is very famous!



The dishes paraded out to your table during the meal sometimes defy description. You politely pick at food that you would not necessarily describe as so in own country. Meanwhile your hosts liberally pour glasses of beer and potent Chinese white wine that you are required to empty at every toast. Toasting at banquets is conducted on an individual basis, with each member of the company’s delegation asking you to toast with them individually. After the sixth course and as many toasts you could swear they were ganging up on you!

As your eyes start to roll like cherries on a slot machine, and before you lose total control of your legs it’s off to the bathroom and another cultural shock! No matter how “smart” the restaurant seems, the bathroom facilities are on par with those found at your local recreation park. Any idea of re-composing yourself evaporates as you try to finish and get out!

Of course you find yourself not at your best for the afternoon negotiations, but your Chinese partners are adamant that all details should be finalized before dinner, the thought of which gives a twinge of heartburn. Beware of the business banquet!

China Serious about Counterfeiting

Finally, China seems to be taking counterfeiting seriously. US business leaders are encouraged that a high-level figure in the Chinese government, Wu Yi, is the point person in US-China talks to curb the widespread practice. Most counterfeit goods come from China.

But Beijing’s influence is limited. It can certainly do more, by imposing stiff fines and long jail terms on pirates, for example. Stopping them cold, however, is another story. Many are in provinces far from Beijing’s control, aided and abetted by corrupt local officials who see no economic benefit in ending a lucrative trade in bogus goods.

Breaking counterfeiters’ backs will take decades. They won’t quit until Chinese business leaders and politicians at all levels understand that undermining intellectual property rights discourages innovation. Without homegrown research and development, China’s economy will suffer in the long run. That’s a tough sell, however, with China’s GDP growth exceeding 9% a year.

—SOURCE: Kiplinger

China and Energy

China’s and India’s thirst for oil could give the United States fits in coming years. As they move aggressively to make large deals with Venezuela, Russia, Iran, and others, American firms and consumers will surely see long-term costs rise as oil and gas become scarcer.

Two chilling prospects: An oil-buying spree by China in Canada, which supplies about 17% of US oil imports, can’t be ruled out. And China is considering the purchase of Citgo, a Venezuelan-owned refiner based in Texas. Citgo accounts for 15% of US refining capacity.

If push came to shove, the United States would step in, leaning on Canada and other suppliers that are also political allies to fill US demand. But in a free marketplace, the government’s influence would be limited.

FIDI Will Host Conference in Beijing in 2006

Several hundred international movers will be arriving in Beijing 23–27 April 2006 for the FIDI conference, which goes to China for the first time.

FIDI recognizes that the focus of much attention is shifting to this intriguing market, what with the Olympics and the burgeoning expansion program of the country. At the Beijing conference the organization will see a new president taking over from the present incumbent, Chuck Lawrence of Security Storage in Washington DC. He is Eric Lim of the Asian Tigers Group, which has extensive



Chris Collie of Worldwide ERC will be the featured guest speaker at the 2006 FIDI Conference in Beijing. The theme of the conference is international relocations.

PORTAL Exclusive

operations throughout the Far East.

Two years later, Eric Lim will be followed by Al Mithal of Star Worldwide Movers in New Delhi, India.

The theme of the Beijing conference will be international relocation, and its guest speaker will be Cris Collie of Worldwide ERC in the United States. In addition to many of his ERC colleagues, it is expected that the event will draw many well-known figures from the relocation industry.

Last year, FIDI also conducted a training seminar in the Chinese capital, in co-operation with FEMA (Far East Movers Association), and there are plans to repeat this successful event this year.

“There is a lot of activity in the Far East and we are clearly mindful of this,” says FIDI’s executive director Karin Wouters. “A substantial segment of our membership operates in the Far East and we are seeing more companies from that part of the world applying for membership by becoming accredited through our FAIM quality programme. Given the level of interest in the Far East we are predicting a big turnout for our conference there next year.”



China and Trade

Don’t expect much of a dent in the US trade deficit with China anytime soon, despite a coming decline in the dollar vs. China’s yuan.

Beijing won’t let the yuan rise more than 10% against the dollar, a move that China is expected to make during the second half of the year. The shift will be barely perceptible, disappointing US businesses battling the effects of cheap Chinese imports on their own sales.

U.S.–China Trade: Impact on Jobs and Industries

By Dr. Robert E. Scott

Director of International Programs, Economic Policy Institute

The rise in the United States' trade deficit with China between 1989 and 2003 caused the displacement of production that supported 1.5 million US jobs. Some of those jobs were related to production or services that ceased or moved elsewhere; others are jobs in supplying industries. These jobs reflect the effect on labor demand — in lost job opportunities — in an economy with a worsening balance between exports and imports. Most of those lost opportunities¹ were in the high-wage and job-hemorrhaging manufacturing sector. The number of job opportunities lost each year grew rapidly during the 1990s, and accelerated after China entered the World Trade Organization (WTO) in 2001. The loss of these potential jobs is just the most visible tip of China's impact on the US economy. During the 14-year period covered by this study, there has been a significant shift in the kinds of industries suffering job displacement, a shift that runs counter to initial expectations. Where the largest impact was once felt in labor-intensive, lower-tech manufacturing industries such as apparel and shoes, the fastest growth in job displacement is now occurring in highly skilled and advanced technology areas once considered relatively immune, such as electronics, computers, and communications equipment. Major findings of this study include:

- The loss of job-supporting production due to growing trade deficits with China has more than doubled since it entered the WTO in 2001. The 1.5 million job opportunities lost nationwide are distributed among all 50 states and the District of Columbia, with the biggest losers, in numeric terms: California (–199,922), Texas (–99,420), New York (–81,721), Pennsylvania (–69,822), Illinois (–69,668), North Carolina (–62,698), Florida (–60,026), Ohio (–58,094), Michigan (–50,991), and Georgia (–46,848).
- The 10 hardest-hit states, as a share of total state employment, are: Maine (–14,951, or –2.47%), Arkansas (–19,123, –1.67%), North Carolina (–62,698, –1.65%), Rhode Island (–7,548, –1.56%), New Hampshire (–9,443, –1.53%), Indiana (–43,533, –1.50%), Massachusetts (–46,463, –1.46%), Wisconsin (–39,668, –1.43%), Vermont (–4,211, –1.41%), and California (–199,922, –1.39%).
- China's exports to the United States of electronics, computers, and communications equipment, along with other products that use more highly skilled labor and advanced technologies, are growing much faster than its exports of low-value, labor-intensive items such as apparel, shoes, and plastic products.
- Consequently, China now accounts for the entire \$32 billion US trade deficit in Advanced Technology Products (ATP).
- China is also rapidly gaining advantage in more advanced industries such as autos and aerospace products. China's entry into the WTO was supposed to provide openings for sufficiently rapid growth in US exports to reduce the trade deficit with China. While the export growth rate has increased since 2001 (from a very small base), the value of those exports has been swamped by a rapidly rising tide of imports. The WTO is a free trade and investment agreement that has provided investors with a unique set of guarantees designed to stimulate foreign direct investment and the movement of factories around the world, especially from the United States to low-wage locations such as China and Mexico (Scott 2003).

Furthermore, no protections were contained in the core of the agreement to maintain labor or environmental standards. China's refusal to revalue its exchange rate, despite enormous demand for its currency, is also a major contributor to the growth of the US trade deficit. Thus, the WTO and the broader process of globalization have tilted the economic playing field in favor of investors, and against workers and the environment, resulting in a race to the bottom in wages and environmental quality.

Dissecting trade and employment flows

An analysis of the effect of trade on the domestic economy begins by considering the impact of both imports and exports. If the United States exports 1,000 computers to China, many American workers are employed in their production. If, however, the United States imports 1,000 computers from China rather than building them domestically, then a similar number of Americans who otherwise could have been employed by the office machine industry and its suppliers will have to find other work. Hence, increases in exports support domestic employment, while increases in imports displace domestic production that could have supported more jobs in any given sector. Some

analysts examine only the benefits of growing exports to the economy, while ignoring the role of imports. Growing trade deficits with China have displaced production supporting 1.5 million US jobs since 1989. The rate of job displacement is accelerating, especially since China entered into the WTO. China's entry into the world trading system was supposed to open up its vast domestic markets to products from around the world, and the United States engaged in extensive negotiations with China to ensure that it obtained its share of these benefits. These benefits have yet to materialize. Instead, multinational companies from around the world have used the protections for investment and intellectual property provided by the WTO to rapidly expand investment, production, and exports from that country. The United States remains China's primary market for exports. In just 15 years China has rapidly transformed its export profile from one dominated by clothing, shoes, and plastic products, to one in which electronics, machinery, transportation equipment, other fabricated metals, chemicals, and medical equipment account for more than half of exports. China's leading-edge industries are gaining increased market shares in the motor vehicle and aerospace sectors, which have provided the most durable foundations for the United States' industrial base for generations. That shift, in turn, reduces the demand for high-technology workers and highly skilled business professionals in the United States. It is hard to overstate the challenges posed by this export behemoth.

This article was adapted from a research report prepared for the U.S.-China Economic and Security Review Commission By Dr. Robert E. Scott, Director of International Programs, Economic Policy Institute. (January 2005, EPI Working Paper #270)

It's Not Too Early to Mark Your Calendar!

Many HHFAA members are now working on their budgets for the coming year. Don't forget to include expenses connected with your travel to and participation in HHGFAA's 43rd Annual Meeting in Washington, DC.

Washington, DC, is the Nation's Capital, and a popular destination for seasoned travelers around the world. You won't want to miss this great opportunity to visit the city and meet with your friends and colleagues from around the globe.

So mark your calendars NOW, and set aside the Annual Meeting dates — come early or stay late to make sure you get the most out of your 2005 Annual Meeting experience!

HHGFAA 43rd Annual Meeting

October 22–25, 2005

Marriott Wardman Park Hotel

Washington, DC

Over the next several months, more information will become available in your mail and on the HHGFAA Website, www.hhgfaa.org.





Santa Fe's Beijing warehouse.

Santa Fe Relocation Services

By Andrew Scott, Country Manager, China

Santa Fe Relocation Services started with their first office in Hong Kong in 1980. In 1988, the company was acquired by the East Asiatic Company Ltd (www.eac.com.sg), and this led to the expansion into China, Singapore, and Thailand. In 2000, Santa Fe acquired the Asian operations of Global Silverhawk, which cemented its position as a key player throughout Asia. Currently, Santa Fe employs over 1,000 people in 24 cities in 8 countries, with China having 14 of these locations (excluding Hong Kong).

Although Santa Fe started as a moving company, 10 years ago it began the transition to a full-service provider of an extensive range of relocation services, including professional immigration and visa services, orientations, and home search. Additionally, Santa Fe found a niche in the market for records management services and has invested heavily in providing first-class records management facilities for multinational companies in China. While establishing the full range of relocation services, Santa Fe recognized the value of providing services with recognizable internal and external quality standards. All offices are now ISO 9001 and FAIM certified and are in the process of expanding the ISO 14001 certification in Beijing and Shanghai out to the rest of the offices.

Being the biggest player in a huge and expanding market has its advantages. In some markets, you could hand your business card to a new acquaintance and the first question would be, "Oh — Santa Fe. What do they do?" In China, however, this is a rare event as there aren't many multinational companies in China that haven't used Santa Fe as a supplier of relocation services. So it's always a good feeling when you can hand out your card and people say, "Oh — Santa Fe! You moved my colleague just last week!" It's this name recognition and goodwill toward Santa Fe that provides the catalyst for continued growth in China.

Being a large and well-established company isn't enough, however, and high ethical standards are also a key to success. In many developing markets where ethics can be bought and sold, there are often "other ways" to "get the job done." Any company with a long-term goal in China must avoid the temptation to "cut corners" for short-term gains. Santa Fe has maintained a solid track record over the last 20 years of following the often confusing and conflicting interpretations of the rules and regulations to represent the best moral and ethical standards for all our clients. This has created a company culture and solid business foundation that strengthens our position in the market every year.

Exceeding a client's expectations, being proactive, or even providing "good" service is still not the norm for many companies in China. Relocation services is a people business, and it is all about communication. Santa Fe has found one of the best ways help people through the emotional process of moving from one part of the world to the other is to "avoid avoiding." If an issue needs to be discussed, then it will be brought up. "Avoid avoiding" empowers our people to be proactive, and gives them permission to actively seek the opportunity to surpass the expectations of the customer.

Working in our industry requires a commitment to continued investment in our people. Santa Fe makes that investment throughout China, with programs that attract and retain the best people for each role. Inter-office secondment is common, and industry training programs are often well represented by Santa Fe employees. Among our staff are speakers of many different languages, including English, French, German, Spanish, Romanian, Indonesian, Ugandan, Mandarin, Cantonese, and Shanghainese — and their nationalities are as diverse as their languages. Having such a diverse workplace encourages a strong multicultural understanding from our staff, and if requested, allows Santa Fe to match international assignees with a person from their own home culture with the understanding that this may make the relocation process a more comfortable experience.



Santa Fe's Beijing facility.

Santa Fe has established itself as the “partner of choice” in China, and a major player in the Asia region. The company’s 25th anniversary celebrations were recently held in Hong Kong, and if the last 25 years’ growth were anything to go by, then the next 25 years will be an exciting time to be part of a fast-paced industry in potentially the most exciting location in the world.

Santa Fe Relocation Services

Tel: (86) 21 6233 9700

Fax: (86) 21 6233-9005

E-mail: ascott@santafe.com.cn

Website: www.santaferelo.com



These photos were taken about 6 years ago at the Three Gorges in Central China. To make way for the building of the world's largest dam, over a million people were resettled before the valley and gorge was flooded in the construction of the dam.

Rhema East China Ltd.

More international movers should consider setting up in China. The medium-term market potential is large enough for many more players. Many of the difficulties experienced before for foreign movers setting in China are becoming stories of the past. This is the view of Ronglong Tang, Chairman of Rhema East China Ltd., a joint venture between Singapore's Rhema Movers and a unit of China's Foreign Affairs Ministry. Tang represents the Government's interest in Rhema. The company has been fully licensed since 1999 to conduct the business of international and intercity household goods and personal effects moving, office and factory relocations, and logistics services for exhibitions, fine and performing arts.

Rhema Movers in Singapore is ISO 9000 accredited and is also a FIDI member with FAIM accreditation. All key staff of Rhema China are trained in Singapore, and Rhema China is working toward its own ISO 9000 accreditation.

"We saw the opportunities in 1999 for the business as China opened its doors wider and wider for foreign enterprises to invest in China, accompanied by the influx of expatriates taking up employment here," said Tang, the Chinese Government representative on the board of Rhema. "The large internationally known names in the industry have already been here for some time, many of them incorporated as representative offices, serving their global corporate accounts.

"The room left for the new, smaller player was limited then. But it was still large enough for more players as there was a continuing flow of expatriates coming into China. To make economic sense and to be strongly viable, we had to have good market entry strategies and a good business mix that incorporates businesses that we can develop, with our own local knowledge and the resource capabilities that Rhema has, to differentiate ourselves from the rest of the pack."

Rhema China has since then set about building a household goods forwarding business that emphasizes personalized customer care, good value for money for services, and developing target market segments. Building on Rhema's good reputation in Southeast Asia, expatriates from Singapore and other Southeast Asia nations were the initial thrust in the first two years. Since then, Rhema China has built an array of corporate accounts and reputation in other expatriate sectors, principally Germans, French, and Japanese. "We now have Japanese and French nationalities working in our East China offices, and we will soon have German staff as well. Currently our local staff speak good English, with some speaking Japanese and German too," said Jane Gong, Rhema's Shanghai manager.

Rhema China has now three main offices in China, in Beijing, Shanghai, and Suzhou. In addition they have built two alliances through equity investments in Guangdong and Fujian Provinces that enable Rhema to serve expatriates directly in seven other key cities in China. From these 10 main cities, the company is well positioned to provide personalized Rhema-style service in all major cities and townships in China.

What differentiates Rhema further is its growing reputation in the provision of support services for fine arts and performing arts. Says Jenny Wu of the Suzhou office, "Our international reputation in this sector is valuable. In the past two years, we have brought in concert tours of internationally acclaimed artistes like the recent 'Norah Jones China Tour.' We have many times over also packed and shipped for famous European museums." Such businesses are more complicated than household goods, involve cultural permits, and require top level governmental agencies' cooperation.

Is this too positive a picture for foreign movers? Isn't the expatriate population too limited to sustain many more newcomers? "No," said Tang. "Do not forget that hundreds of Chinese companies are venturing abroad. They will be sending Chinese executives out of China to follow their investments. Years ago, our personal effects may not have been worth the packing effort and cost. Today, income levels and personal wealth of the top echelon of the



managerial class are compatible to those of Singapore professionals or even higher, and our population numbers for this class are big. So current Chinese top-level professionals possess highly valued furniture and personal goods.

“Also, do not discount the potential of the intercity moving business within China,” Tang added. “Chinese professionals are becoming mobile as they change jobs or get transferred and require first-class movers to relocate them. It is only that there are not enough local movers at present that can offer moving services with quality packing and customer care services as the foreign movers in China. Things will change soon, as we would be looking at training programs and industry schools to be set up.

“There are thousands of local moving companies all over China. Foreign movers could consider looking at strategic partnerships (including equity stakes) with the better ones for a start. The rules governing investment, licensing, and customs management would be progressively changed. Overall, we see a stronger moving market and one where better quality standards would prevail.”

Rhema East China Ltd.

Phone: (86) 512 6530 6276

Fax: (86) 512 6530 6593

E-mail: rhema@pub.sz.jsinfo.net

Website: www.rhemachina.com



Three children in the cabin of a truck. The words are Chinese for “Safe Journey,” a typical sentiment to send people and their belongings to a new home or destination.

The Genesis of Moving in the People's Republic of China

By Jim Harvey

In the beginning there was only Home-Pack Transport Inc., the Hong Kong branch office of 7 Santini Brothers of New York.

Owner: Martin Santini

International Sales Vice President: Bob Feldman

International Operations Vice President: Jim Rando

Partners: Jean Jacques Borgstedt and Wladimir De Mello

General Manager: Jim Harvey

Assistant General Manager: Francis Cheung

Prior to China's opening up to the outside world, shipping cargo in was possible, but tracking was nearly impossible. In the early 1980's there was no FCL/LCL shipment from Hong Kong. All cargo was sent via rail cross the Hong Kong-China land border. There was no air link via Hong Kong to China.

Home-Pack Transport was working for the Canadian and Australian High Commissions in Hong Kong. These two offices were assisting their embassies in Hong Kong to purchase furniture and fittings to outfit their newly re-opened facilities in Beijing. There were a few problems with sending up the cargo from Hong Kong. The cargo could be forwarded only by rail, and damage to goods in transit was a serious problem. Second, when the cargo arrived in Beijing, the embassies had to arrange the clearance and transportation by themselves, as there were no agents or delivery companies authorized to service foreigners or diplomats for inbound cargo.

Getting information about shipment dispatched from Hong Kong was impossible. So, in an effort to solve our damage and service problem, I went to Beijing in February 1980 to see the situation firsthand. What I discovered was that there was really no system, as we knew it in the West, to handle inbound household goods and personal effects because no one had ever imported such goods prior to China's opening up with the West.

I also learned that there were two companies involved with the import of cargo to the People's Republic of China: the agent for China Ocean Shipping Company, the People's Navigation Company (PENAVICO), and Sino-Trans. Since PENAVICO was conveniently located in Beijing and also authorized to work with foreign companies, I decided to try to establish a relationship with them.

I found PENAVICO to be a very forward-looking company eager to form a cooperative relationship. The first-ever agency agreement to facilitate the handling of inbound household goods and personal effects into China was signed in early March 1980 between Home-Pack Transport Inc and PENAVICO. Following that signing, we moved to arrange the Beijing Friendship Store to arrange transportation and labor for the delivery of all household goods and personal effects whether inbound or outbound; thus, Home-Pack had established the first door-to-door service in the People's Republic of China. And, as it's said, "The rest is history."

J. Harvey International Service Ltd.

Tel: (852) 2792-7014; Fax: (852) 2792-7252

Mobile: (852) 9094-1713

USA E-fax: (425) 795-4204

E-mail: Jimh@exasia.net



Relocasia's China Management Team: Dave Andrews, San Chin, Jessy Lee, Phyllis Ho, Fabrice St Thomas.

Relocasia

Established in 2004, Relocasia is the newest and most dynamic addition to the moving and relocation industry in China. With headquarters in Hong Kong, and satellite offices in Macau, Beijing, and Shanghai, Relocasia is ideally positioned to service the growing corporate market in China. The company offers a full range of international moving, storage, and destination services.

The pros and cons of doing business in China

Hong Kong is a gateway to China. Many major multinational organizations wishing to conduct business throughout China, will use Hong Kong as a foundation. This is because Hong Kong offers a safe environment in which to operate, with a simple corporate tax system, a large pool of well-educated and internationally savvy employees.

In addition, Hong Kong is an “easy” location for expatriates to reside, as the international schooling and healthcare systems are excellent. English is widely spoken, crime is low, and in general the quality of life is very high.

That said, the cost of living is extremely high (Hong Kong is the fifth most expensive city in the world), therefore many companies find themselves weighing up the “quality of life” against “the cost of living,” when assessing the pros and cons of basing their expatriates in Hong Kong.

While it is true to say that the number of expatriates living and working in Hong Kong is declining, the market for moving companies based in Hong Kong remains buoyant.

China is demonstrating a serious commitment to meeting its WTO obligations, and removing the barriers preventing foreign companies doing business on the Mainland. Thus, the business “mood” in China is extremely positive. A recent American Chamber of Commerce survey showed that 80% of foreign companies operating in China believe WTO accession will have a “positive” or “very positive” impact on their business. To support this, the Chinese Government statistics

Relocasia at a Glance

Executive Directors

- Matt Burden (formerly with SIRVA Greater China)
- Ben Tyrrell (formerly with Allied Pickfords Hong Kong)

Offices

- Hong Kong
- Macau
- Shanghai
- Beijing

Business mix (in terms of revenue)

- International (corporate) export 42%
- International (non-corporate) export 9%
- International (third party) export 19%
- Import 16%
- Domestic 9%
- Transit insurance 5%

Languages spoken: English, Cantonese, Mandarin, French, German



A rooftop in Beijing, against the late afternoon sun.

state that foreign direct investment has increased over 30% per year since 2002.

It is clear that doing business in China holds its attractions, but China remains a difficult place to live and work. Most expat residents claim to “tough it out,” and are ultimately happy to leave. But of greater concern is the government’s continued refusal to tackle “big picture” issues such as human rights abuses, extreme poverty, and official corruption.

Macau is the Las Vegas of China. Billions of investment dollars have poured into Macau since China opened its gates to foreign casinos in 2003. MGM and Sands casinos were first on the scene, quickly followed by most major hotel chains, airlines, and banks; today, everybody is clamoring to be in Macau.

As a result, government immigration records show that the number of foreigners working in Macau has increased by a little less than 300% over a few short years.

Unlike the Mainland, Macau is a very easy place to set up and operate. Some 450 years of colonial influence has removed a lot of the typical constraints of doing business in China. However, an ongoing problem is finding good staff. It is estimated that Macau will require a workforce of 300,000 by the end of 2006 — this from a total working population of 200,000. With labor demand vastly outweighing supply, turnover is high, as staff naturally “cherry pick” the highest paying, “sexiest” jobs.

Relocasia

F2, 13/F Gee Tung Chang Ind Bldg 4
Fung Yip St., Chai Wan
Hong Kong

Phone: 852 29769969

Fax: 852 2976 9947

Website: www.relocasia.com

Rex Service Co., Ltd. was established in 1994, and the registered capital of the venture is about US\$600,000. At the very beginning, Rex provided warehousing service for Motorola in Xingang, Tianjin. Afterward, Rex gradually provided international household goods moving service under the registered brand Rexmovers®. Rex has been an HHGFAA member since 1999.

Rex has reached an annual revenue growth rate of 35%. The company's strategy was to establish a branch in most big ports of entry to handle the processing of international moves in a short period of time on the China mainland, where it has branches in Shanghai, Dalian, Shenzhen, and Qingdao.

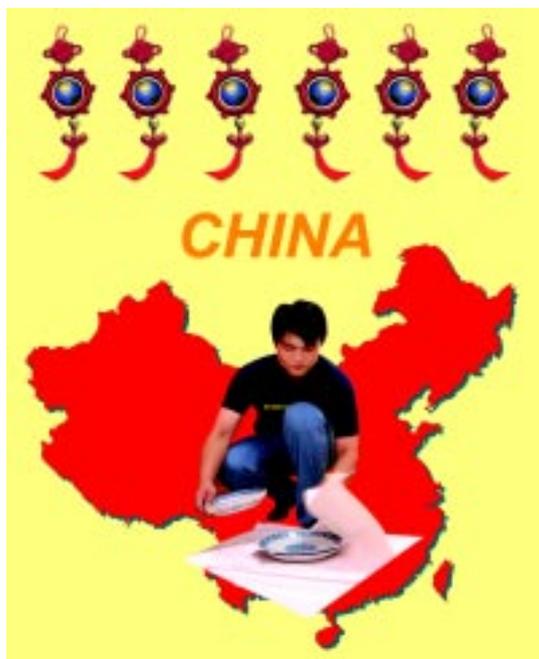
The headquarters of Rex is in Tianjin, the third-largest city in China and also the port of entry of Beijing. Xingang, one of Northern China's biggest ports, is in Tianjin. Rex's warehouse covers 24,757 square feet, with modern storage equipment and vehicles. The headquarters runs the business operations in North China and Northwest China.

As Rex is a company run by Chinese, the company encountered a big challenge in that foreign customers did not initially accept them in the early days, because credit standing was a high priority. Some renowned international movers have dominated the industry, and in order to break this stranglehold, Rex launched a variety of activities in the expatriate community.

For example, Rex arranged parties for some Western festivals, which would create a feeling that attendees would feel as if they were back home in their native country. Rex also hired salespeople whose native languages are English, French, Japanese, and Korean, to raise Rex's profile in the expatriate market.

Rexmovers®

RM801, Penavico Building, No. 5
Xuzhou Road, Hexi District
Tianjin, China 300042
Phone: 86-22-23309120
Fax: 86-22-23309115
E-mail: rexco@public.tpt.tj.cn



Rex Service Co. at a Glance

- International movers
- Professional packers
- Customs house brokers
- International insurance brokers
- International freight forwarder
- Local movers
- Storage and warehouse service providers

Shanghai: The biggest port in China, and also an international city with a fast developing economy. Shanghai Branch runs the business in East China.

Dalian: Another booming economy area. This branch runs the business in North-east China.

Qingdao branch: Runs business in Shandong Province.

Shenzhen, located in Shekou (near Hong Kong), Guangdong Province: The Shenzhen office coordinates with the agent in Guangzhou and Xiamen. It runs the business in South China.

Core competencies

- **Standardized service.** In order to guarantee service quality and raise customer satisfaction to 95%, Rex drew on 10 years' experience and achieved implementation of the ISO 9001: 2000 Standard, thus keeping ahead of local small movers.
- **Cost leadership** is another managing strategy at Rex. For example, all the company's packing materials come from excellent domestic suppliers to reduce purchasing cost, and most of Rex's employees are recruited locally to maintain reasonable human resource expenditures. Therefore, management costs are reasonable, and customers and overseas agents benefit from high-quality service at a much lower rate.

King's Mover International (KMI)

King's Mover International (KMI) provides professional household goods and personal effects "door-to-door" moving management throughout the world.

With over 15 years in worldwide moving industry, KMI professionals with knowledge, experience, loyalty and a commitment to service provide the best response to customer needs through streamlined price and operational procedures, diligent and effective monitoring, and attention to quality control. A single contact oversees the process every step of the way, from origin to destination.

This dedication has enabled KMI to expand its client base to include many corporate transferees, foreign embassies, government employees and individuals. The company also has been recognized by overseas relocation firms as their reliable moving partner in China.

Whether by sea, land or air, across the ocean or across the street, KMI moving specialists provide personalized attention to their customers, from the initial phone call to the shipment's final destination. KMI employs its own workers, not subcontracted packers and supervisors. In addition, it offers all-risk, non-deductible door-to-door transit insurance coverage.

Facility

KMI is located in China's capital city, Beijing. It is conveniently located 25 minutes from major foreign residential areas, 3 minutes east from Fifth Ring Road, 10 minutes from the CBD area, 15 minutes from Beijing International Airport. The 50,000-square-foot facility includes an office area, carpentry shop, and various storage areas, all protected with 24/7 security.

The facility also includes

- Computerized systems, with Internet, e-mail, telephone/fax, toll-free, and mobile phone access
- A security vault for short- or long-term household goods storage
- Secure palletized containers for archive and document storage
- 8 owned and licensed trucks and vans, as well as forklift equipment
- Carpentry and mechanical workshop
- All types of identification labels and computerized package labels
- All kinds of internationally standardized cartons and packing materials

King's Mover International

No. 1, Huatianyuan, Xiba,
Dongbaxiang, Chaoyang District,
Beijing, 100018, P.R.China
Phone: (86 10) 8432 7267

KMI at a Glance

Range of services

- **Full origin service.** Premove survey and reporting, export packing/crating, antique exporting process, export clearance, air and sea shipping arrangements, all necessary documentation.
- **Full destination services.** Import documentation preparation, customs clearance, delivery, unpacking, furniture assembling, cleaning up packing debris. Value-added services are available for specific needs (handyman, piano tuning, maid service, etc.).
- **Storage.** Long-term storage and transit storage of records.
- **Pets import/export shipping.**

China: The Moving Industry's Last Great Frontier?

By Matthew Enticknap

Few would argue that the transformation of China's economy over the past 20 years has been anything short of remarkable. Since the early 1980s, China has taken significant steps towards the creation of an open market economy, culminating in its recent entry into the WTO. Depending on who you ask, the country's economy now ranks somewhere between the third to seventh-largest in the world, a standing that many expect will continue to strengthen in the years ahead.

However, major challenges lie ahead for China, not the least of which is the need to modernize transportation linkages to keep pace with the country's explosive growth. It's a fact that moving companies and other players in the international transportation industry are coming to terms with. However, as in other sectors, China is beginning to benefit from the expertise and investments of foreign investors, many of whom have established operations in the country over the past decade.

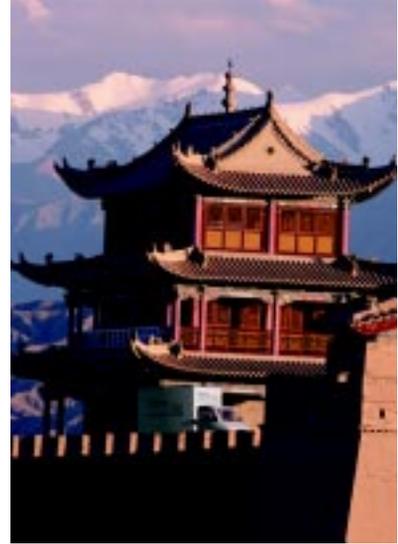
Move One International Movers is one such company. Based out of its regional headquarters in Beijing, the company is continually expanding its China office network and range of relocation services. Specializing in individual, corporate and diplomatic moves, the American-owned moving company offers door-to-door relocations to over 30 cities in China, as well as customized relocation packages for both corporate and residential moves. Move One's relocation expertise also allows the company to handle a wide range of auxiliary services, including pet transportation and fine art shipping.

Establishing these services in China at a level of quality acceptable to Move One's high standards required a great deal of persistence and perseverance. Of course, one of the initial challenges for any company doing business in China is the need to navigate the country's bureaucratic maze. The key to overcoming this is connecting with a Chinese partner company, a step Move One secured years ago through the establishment of a strong relationship with its sister-company in China, itself a major player in the country's logistics industry.

Equally as daunting is the state of the country's transportation network, which can vary from excellent in major centers to downright ugly in the country's hinterlands. As such, for experienced removal companies such as Move One, providing service to major urban areas such as Beijing, Shanghai, and Guangzhou, is a fairly straightforward procedure. However, due to weak domestic distribution links in China's less developed regions, providing moving services to isolated areas can cause delays and require some creative moving solutions.

As Curt Clements, Move One's managing director, notes, the company's longstanding presence in the region gives it a competitive edge when encountering such challenges. "There's no denying that China poses significant logistical hurdles, and many people who have undertaken a move here receive a level of service that is far below their expectations," says Clements. "The fact that we have a high customer return rate is due to the fact that we have found a way to maintain a high level of service in the face of these challenges."

Established in 1992, Move One is a member of the AES Group, a family of companies providing high-quality moving, relocation, and freight forwarding services worldwide. The company is represented globally via an office network which spans over 30 countries, and through its partnerships in the HHGFAA and FIDI.



Move One

Tower A, Suite 710, Kelun Building 12 Guanghua Road, Chaoyang District
Beijing, 100020, People's Republic of China

Phone: 86 10 658 14046

Fax: 86 10 658 14047

E-mail: china@moveone.info

Web: www.moveone.info



China Way International Moving & Warehousing

Thomas Stilmock, one of the Founding Partners and Director of China Way International Moving and Warehousing, has lived in China for the past 18 years. The two founding partners have been in the transportation industry in China for a combined total of over 35 years.

China Way has over 100,000 square feet of warehousing (primarily in Beijing and Shanghai), and a highly trained and dedicated staff of approximately 50.

The company provides complete origin and destination moving services throughout China. Shipments are cleared through China Customs with a minimum of hassles. China Way also liaises with the Chinese Cultural Relics Bureau when shipments include antique Chinese furniture and/or artifacts whose travel in and out of China may be restricted.

The company offers the following key services:

- Fully licensed
- Own facilities
- Own vehicles
- Alleviates Customs hassles
- Experienced in handling “special” items and shipments
- Customs-bonded warehousing and distribution

China Way International Moving & Warehousing

Anhuaxili Building 10, Area 2, Chaoyang District
Beijing, PRC 100011

Phone: 6423-5749/50 • Mobile: 13801025163 • Fax: 6425-4795

E-mail: stilmock@public3.bta.net.cn

CIM Continental International Moving

CIM—Continental International Moving—is a new company set up by a group of professionals who for years held various management positions in the moving industry. The company was built on the philosophy that the moving business, particularly household goods relocations, is a very personal business. Customers care about the people they deal with more than anything else.

To distinguish themselves, the founders decided to take a personal approach by making themselves available around the clock, satisfying every request from their clients, providing quality service at all times, and honoring every commitment they make. This up-close-and-personal approach is made possible through CIM’s innovative ownership structure and incentive programs.

The company believes that word-of-mouth is the best marketing tool in the household goods moving industry. CIM’s goal is to win a few referrals from each customer it moves, whether a family or office — a strategy that has been very successful.

CIM Continental International Moving

Room 310, International Distribution Center

Chaoyang Port, Chaoyang District

Beijing 100023, People’s Republic of China

Phone: 86-10-8762-5110 • Fax: 86-10-8762-5281

E-mail: info@cimmover.com

Website: <http://www.cimmover.com>



**Sales and Marketing
Manager Julie Han, General
Manager Oscar Lau,
Customer Service Manager
Zhang Qing**

Doda International

Beijing Doda International Cargo Transportation Company was set up in 1988 with its head office in Beijing, branch office in Shanghai, and a sister company in Hong Kong.

The company is licensed to perform international and domestic moving services, logistics and business moves, customs clearance resolution for both commodity goods (general cargo) and non-commodity goods (household goods and pets), record storage and warehouse management.

In the past 25 years, China has experienced rapid changes in all areas and Doda is well equipped to become one of the leading experts in China moves. Doda has a large storage capacity — a 30,000-square-foot humidity-controlled warehouse — and has been ISO9001: 2000 Quality Management System certified. The company has won massive contracts for corporate and embassy moves every year.

Doda is one of China's licensed international moving companies that can officially handle a full range of international moves directly; therefore, packing and unpacking is done by its own experienced moving crews, customs clearance done by its own clearance officers who are familiar with China's customs clearance regulations and requirements.

It is important to have a reliable moving agent in China that can directly handle operations and customs clearance, because any indirect or improper handling on those two moving segments will be expensive and time-consuming for clients moving to and from China.

Beijing Doda International Cargo Transportation Co. Ltd.

Add: North Court, No.256

Nan Yang Zhuang Cun

Shi Ba Li Dian Xiang, Chao Yang District

Beijing, PRC 100023

Phone: (86 10) 6747 3412 / 6748 8828

Fax: (86 10) 6747 4953

Website: <http://www.doda.com.cn>

E-mail: enquiry@doda.com.cn

or Oscar Lau, General Manager, at oscar.lau@doda.com.cn



Kerry BHL Logistics Limited

Formed in 2001, Kerry BHL Logistics Limited (KBHL) is jointly owned by Kerry Logistics Network Limited and Beijing Enterprises Investment Limited.

Kerry Logistics is a member of the Kuok Group and its services encompass contract logistics, international freight forwarding, transport, distribution, trading, merchandizing and a wide range of value-added services for both corporate and non-corporate clients.

Over the years, the company has played a key role in bringing literally thousands of products to and from millions of people in China, Asia, and around the world.

In addition to electronics and technology products, the company's teams have successfully handled a wide range of fashion, retail, food and beverage, automobile, medical, chemical and industrial products.

Kerry's goal throughout is to continue improving its service level, maintain high quality standards, and constantly monitor its overall performance, all at a competitive price.

The company prides itself on providing good, personalized and friendly service, adapting quickly to clients' special requests, and offering competitive prices, backed by its team's strong knowledge, experience, and expertise with respect to operations in China and customs clearance.

Kerry BHL Logistics Limited

International Distribution Center

Chao Yang Port

No. 1 Dongsihuan Nanlu

Shibali Dian

Beijing 100023, China

Phone: 86 10 8769-2854

Fax: 86 10 8769-0548

Website: www.kerrylogistics.com



Kerry BHL Logistics at a Glance

Services

- Pre-move survey
- Pre-move consultation
- Quotation
- Customized planning
- Staff briefing
- Provision of dedicated carton boxes
- English speaking supervisors

Packing

- International packing standards
- High quality packing material
- Special crating for high value goods
- Color locator system
- Experienced packing team

Shipment

- Export/shipping
- Customs brokerage
- Customs clearance

Warehousing

- Warehousing for general and bonded cargoes at all major locations
- Records management

Delivery at destinations

- Delivery of goods
- Removal of packing materials

Customer feedback

- After-relocation follow-up

Value-added services

- Additional insurance coverage
- Online insurance claims
- Provide local information for expatriates
- Special handling of pets, cars/motorcycles/boats, antiques, pianos, etc.



Bridge Worldwide Relocations LLC

In 2001 Bridge Worldwide Relocations established its Asian regional headquarters in Shanghai. The company realized the need for a quality relocation and moving service provider for the multi-national companies transferring business operations and staff to China.

Already the financial and manufacturing center of the country, this dynamic city offered the likelihood of experienced staff; the same attraction for multinational companies to establish their main offices in the city. Indeed Bridge Worldwide Relocations is staffed with professional and experienced people. The management team boasts over 50 years experience in the moving and relocation industry in Shanghai. Fred Dunnett has 22 years in China experience advising people and companies about relocation: Pat Belson, the moving division general manager, has over 11 years; while other senior managers have from 6 to 8 years' experience moving families in and out of the China.

It is experience, local knowledge and professionalism that are the key elements when advising multinational companies transferring staff in and out of China. The combination of relocation and moving services greatly ease the cultural shock that transferees' experience. Multinational companies appreciate Bridge Worldwide Relocations' "one-stop shopping" concept. Transferees welcome the ease of a central contact point for all their moving and relocation requirements. This all of course allows us to concentrate on providing 100% service to our clients.

The moving division maintains a high service quality by maintaining full time, experienced and professionally trained packing crews; a 500-square-meter warehouse facility for long-term storage, and our own trucks and vans. Moving services are provided all over China. Affiliate offices in major cities continue our service, but in many cases our own crews travel to pack or deliver personal effects. Such is our commitment to providing the best moving service possible anywhere in the country.

The company's service concept works, and currently Bridge Worldwide Relocations has offices in Indonesia, Korea, Philippines, Singapore, Taiwan, and Thailand.

Bridge Worldwide Relocations

Suite 35-102, 588 Jin Hui Lu

Shanghai, China 201123

Phone: 86 21 6402 2418

Fax: 86 21 6402 0296

E-mail: moving.shanghai@bridgerelo.com

Website: www.bridgerelo.com



Schenker Worldwide

By Peter Kolb, Business Development Manager Beijing

Schenker enjoys over 130 years of experience in the logistics business. The company was founded by Gottfried Schenker in Vienna back in 1872. With the establishment of branches in the United States, Canada, South Africa and Australia Schenker marked a new beginning of globalisation. Schenker today is one of the world's leading providers of integrated logistics services, offering land transport, air and sea freight as well as comprehensive logistics solutions and global supply chain management from a single source.

Schenker in China: A licensed specialist in household goods removal

By establishing a branch in Hong Kong in 1966, Schenker started developing the Asian markets. In 1979 Schenker entered China as one of the first foreign logistics providers to be registered in the People's Republic of China. We have since expanded with the establishment of over 20 branches all over China with more than 1200 employees. Our multilingual team is consistently taking care of the individual needs of our clients. Our dense domestic network is linking China with more than 120 countries in Americas, Europe, Africa, Near/Middle East and the Asia Pacific region. Our commitment is simple: We are wherever our customers are.

Our household removal services include:

- International, domestic and local moves
- Office moves
- Factory moves
- Transportation by air, sea, truck and rail
- Door-to-door services to worldwide destinations
- Bonded/non-bonded, temperature-controlled warehousing
- Records storage
- Pet handling
- Handyman services
- International transportation insurance

Maintaining the highest quality standards and personally taking care of our clients' individual service requirements is what keeps customers coming back to us. Schenker in China — a first choice for 30 years. We are at your side whenever and wherever you are moving.

Schenker (H.K.) Ltd.

CEROILFOOD Kaida Building, Room 301
No.19B Minwang, Hepingli Dong Street, DongCheng District
Beijing, 100013, China
Phone: 86 10 6429 6520 ext 199
Fax: 86 10 6429 6518(19)
E-mail: Peter.kolb@schenker.com
Website: www.schenker.com

Matson Plans New Guam, China Services for 2006

Matson Navigation Company, Inc. (Matson), the ocean transportation subsidiary of Alexander & Baldwin, Inc., announced in February that it intends to invest \$365 million in vessel, container and terminal assets to launch a new Guam and China service beginning in February 2006, when its present 10-year alliance agreement expires with APL. As a key element of that plan, the company has entered into cash on delivery purchase contracts for two new US-built containerships with Kvaerner Philadelphia Shipyard, Inc. (KPSI).

The vessels to be acquired will be similar in capacity, speed and operating efficiency to Matson's MV Manukai and MV Maunawili, both built by the same yard and placed in service in 2003 and 2004, respectively. The two new ships are expected to be delivered and placed in service by July 2005 and June 2006 at an estimated combined cost of \$315 million. Matson has the option to time charter these vessels in lieu of purchasing. It also will have a right-of-first-refusal with KPSI for up to four other containerships of similar design that are deliverable by the Philadelphia yard before June 2010.

By mid-2006, both new ships will be deployed in an integrated weekly West Coast-Hawaii-Guam-China service together with three of Matson's most efficient diesel-powered containerships. The planned routing will include port calls at Long Beach, Honolulu, Guam and two ports in China.

"Matson's highest priority for the past two years has been the development of a viable replacement service for Guam," said James Andrasick, Matson president and CEO. "We also have a continuing interest in expanding our reach into new markets, and at the same time strengthening our service reliability to our home state of Hawaii. This further investment in new US-built containerships satisfies all of those objectives."

Andrasick added: "The investment marks a significant milestone in achieving our fleet replacement objectives. With their more fuel-efficient diesel engines, state-of-the-art shipboard technology and a number of "green" environmentally friendly design elements, these four new ships will provide Hawaii with a strong, modern, reliable lifeline to the US mainland."

Matson has been modernizing its fleet in recent years, retiring older steam-powered ships to improve fuel and operating efficiencies. With the addition of the two newest vessels, the average age of Matson's active containership fleet will be a relatively young 14 years.

Container Ship Orders Set Fast Pace

Container lines and charter ship owners ordered more than 50 container vessels in the first 5 weeks of the year, more than 10% ahead of the corresponding period a year earlier. The orders include the first 10,000-TEU vessels, four vessels ordered by China Ocean Shipping Co. Other notable contracts include four 8,000-TEU ships for Taiwan's Yang Ming and six 6,500-TEU vessels for Kuwait-based United Arab Shipping Co.

More large vessels are in the pipeline. With South Korea's Hyundai Merchant Marine reportedly about to unveil a \$1 billion order, the biggest-ever single shipbuilding contract, for eight 9,000-TEU ships with sister shipbuilder Hyundai Heavy Industries, and Hamburg Süd, the German carrier, close to ordering 10 5,500-TEU vessels at a cost of about \$850 million.

But container demand may lag ship capacity

The demand for containers may not be as bullish as the order book for new container ships might indicate. Container manufacturers, especially those in China, have already begun to produce more boxes than the growth in global trade can justify, according to a new report by Citigroup.

Spurred by fears of steel shortages and the rising number of new vessel orders in 1973, new container output rose by 38% in 2003 and 15% in 2004. This is well above the 8-9% annual growth in global containerized trade, and well above the growth in the number of container vessels, said Charles de Trenck, the Hong Kong-based analyst who wrote the report. The imbalance of Asian exports and imports has caused carriers and lessors to order new boxes instead of repositioning existing ones. If global trade growth decelerates, orders for containers could slow quickly, he said.

SOURCE: The Journal of Commerce

China Leads Increase in Asian Economic Development

By Alan M. Field

China is hoping to do with spinach and applies what it has done with toys, apparel, furniture, and other products that dominate the US market. As transport infrastructure in long-remote interior provinces has improved, Chinese producers have begun shipping refrigerated containers from inland points.

This is yet another sign of China's astonishing export growth. Despite widespread predictions that the Chinese economy was bound to cool down sooner or later, container volume on China-to-US routes has been growing by more than 25% a year since 2002. The United States isn't the only destination for Chinese exports. Container volumes in and out of India have also been growing by 15-20%, according to Ben Hackett, director of the global trade and transportation practice at Global Insight Inc. Overall container volume between the United States and Asia has been growing at a 16% rate.

Much of China's current growth is coming from inland regions. China's coastal cities lack the infrastructure, housing and utilities to handle the continued influx of migration from the countryside, said Hackett, "so the Chinese government is trying to tell people, 'stay where you are inland; don't move to the coast.'" Development of infrastructure to allow containers to penetrate the interior is a key to boosting exports and raising standards of living in these long-remote regions.

The fastest growth in China's container traffic has been to and from its Asian trading partners. Annual volume growth has been 30-45%, depending on the country. Intra-Asian container traffic is growing dramatically as countries such as Vietnam modernize their infrastructure and produce higher value-added exports. "China is still taking market share away from other trading partners," said Hackett. Many manufacturers in Japan and South Korea have sharply increased their shipments of components to China, where the components are assembled and exported back to the Chinese market.

But how long can good times in Asia continue? Some see signs of slackening growth. "We are beginning to warm that growth rates cannot be sustained for the long term," Hackett said. "We are more cautious."

SOURCE: The Journal of Commerce, from which this article is adapted.

How Big Vessels May Recast Asia Trades

The number of 7,500-TEU-plus container ships will rise from the current 50 to 195 by the beginning of 2008, according to estimates by Alphaliner, the information service of Parks shipbroker Barry Rogliano Salles. Alphaliner says the increase will restructure the world's container trades, with the overall direction determined by the strength of the euro and the US dollar. There will be enough of the big ships to operate 15 Asia-Europe loops and 15 trans-Pacific loops, resulting in capacity of 125,000 TEUs a week or 6.5 million a year for each of those trades.

Alphaliner predicts a domino effect as the big new ships push smaller ships to trans-Atlantic routes and to north-south and regional trades, as well as feeder services. Alphaliner says the balance between capacity on the Asia-Europe and Asia-US trades will depend on liner carriers' strategies and on the relative strength of the currencies. It says a strong euro will drive more big ships onto the Asia-Europe trades, while a strong dollar will drive more of them onto the Asia-US trades.

SOURCE: The Journal of Commerce

Container Ship Lines Pitch In

Natural disasters often produce increased shipping volume, but the recent Indian Ocean tsunami will not be a bonanza for container ship lines. Carriers are transporting large volumes of relief cargo to the region, but most of it is being carried free. The World Shipping Council reports that liner shipping companies have contributed more than \$3 million to relief agencies, in addition to in-kind contributions including food, water purifiers, and thousands of 20- and 40-foot containers.

SOURCE: The Journal of Commerce

A Happy Chinese New Year

Shipping lines in the eastbound Pacific predict that containerized imports from Asia will increase 10 to 12% this year, with an early spike in cargo occurring in March as factories resume production following the Chinese New Year holiday.

Cargo volumes slowed down noticeably in February as factories in Asia shut down Feb. 7 through Feb. 11. According to the Transpacific Stabilization Agreement, which represents 13 carriers in the eastbound Pacific, vessel utilization rates could drop to about 70%. Carriers used the traditional slow period to dry dock and service vessels.

Marine terminal operators and intermodal rail carriers used the slow period to recover from the congestion problems remaining from last year's record cargo volumes and the closure of some rail lines by the Union Pacific Railroad because of heavy rains and mudslides in California in mid-January.

Asian factories resumed production in mid-February, and exports were expected to come back strongly in March as the goods arrived at West Coast ports.

Containerized imports from Asia increased 14.4% in the first 9 months of 2004 to 3.8 million 40-foot containers, the Transportation Safety Administration (TSA) stated. Imports from China increased about 33% and accounted for 57% of the container volume in the eastbound Pacific.

Container volumes should grow strongly this year as manufacturing of textiles and wearing apparel shift to Asia with the lifting of import quotas under the World Trade Organization, the TSA said.

West Coast ports will continue to bear the brunt of the growth as they handle about 70% of containerized imports from Asia. Los Angeles-Long Beach, which experienced 5 months of congestion last summer and fall, handles 43% of the US imports from Asia.

Cargo volumes in the eastbound Pacific in 2005 could total 5.8 million FEUs, or 11.7 20-foot containers, an increase of 30% compared to 2003, and nearly 40% over 2002. The TSA said.

SOURCE: Bill Mongelluzzo, TrafficWorld

Seals a 'Priority'

The Department of Homeland Security is developing a regulation to mandate the use of high-security seals on all ocean containers entering the United States.

"The department is moving toward developing a seal requirement for inbound containers," Elaine Dezenski, assistant secretary for policy and planning in the DHS Border Transport Security Directorate, said at a Retail Industry Leaders Association conference in San Diego in February.

"This is a high priority to enhance our cargo-security strategy and efforts," she said.

Currently, only about half of all inbound containers are sealed, according to industry estimates.

The rule requiring container seals would be in the form of a regulation applying to all containers, as opposed to the "smart-box" concept being advanced as part of the voluntary Customs-Trade Partnership Against Terrorism (CTPAT).

SOURCE: Traffic World

Horizon Lines Files for Initial Public Offering

Container-shipping firm Horizon Lines Inc. has filed a proposed initial public offering statement with the Securities and Exchange Commission.

Horizon, which also has logistics operations, said it will use \$131.5 million of the proceeds from the IPO to redeem preferred stock and to pay a special dividend, the Associated Press reported.

For the 12 months ended Dec. 26, 2004, Horizon reported net income of \$6.8 million and operating revenue of \$980.3 million.

Horizon Lines, based in Charlotte, N.C., has a fleet of 16 vessels and about 22,000 cargo containers.

—*SOURCE: Transport Topics*

China Trade Fuels NYK Profits

Japan's largest shipping company, NYK Line, said third-quarter profit rose 74% as growth in the Chinese economy fueled demand for cargo space and boosted freight rates. Net income rose to 22.9 billion yen (\$217 million) for the 3 months ended Dec. 31, from \$125 million in the year earlier period. Sales rose 19% to \$4 billion. NYK raised its full-year earnings forecast to \$615 million from a previous estimate of \$596 million and said it may match it again in 2006, if the yen stays at current levels. For the third quarter, NYK's profit, or pretax profit from operations, more than doubled to \$439 million. Operating profit rose 99% to \$470 million.



Forward Observer: A New Arms Race

By George C. Wilson, CongressDaily

Europe's plan to resume selling arms to China already has generated the beginning of a backlash in the US Congress. The backlash is bound to get stronger in coming months if President Bush or lawmakers cannot persuade European nations to keep the Chinese arms embargo in place.

The near-term consequence of such an impasse could well be a China-Taiwan arms race. The long-term worst case scenario is a Pacific war in which European and former Soviet bloc countries support China while the United States arms Taiwan.

Despite such high stakes, the 109th Congress so far has been all bark and no bite in warning European nations against lifting the arms embargo imposed on China in 1989 in retaliation for China's bloody crackdown on the pro-democracy demonstration in Tiananmen Square. The United States at that time not only ended arms sales but also military-to-military contacts with China, a freeze that began to thaw under President Clinton in 1993 as he pursued a one-China policy. Bush, in contrast, has been leaning away from China and toward Taiwan.

Full story: <http://www.govexec.com/dailyfed/0205/022805fo.htm>

Relocation Expense Tracking System Now Operational

By Daniel Pulliam

A system for tracking agencies' relocation expenses is up and running at a government business center. The Administrative Resource Center at the Treasury Department's Bureau of the Public Debt operates a Web-based system that automates expense management processes. The center provides relocation services to 19 agencies.

"Our goal is to provide a one-stop relocation service for smaller federal agencies and their employees," said Roger Burris, a relocation specialist at the center in Parkersburg, W.Va. "You can extract the [relocation information] any way you want or the way [the Office of Management and Budget] wants it to be extracted."

Currently, the center processes about 500 relocations each year, but Burris expects that number to increase. "We have nowhere to go but up," Burris said. "Our growth potential is very good."

The applications' creator, a Fairfax, Va.-based software company called mLINQS, expects to release an updated version in March that will include the ability to process international relocations. The bureau's resource center expects to implement the updated software this summer.

Burris said the center's focus is on smaller agencies with limited budgets that cannot afford the overhead of operating a relocation program. Through a contract with the business center, agencies pay a fee per relocation. The center's clients relocate anywhere from a few workers to more than 400 workers a year.

The government moves about 22,000 workers a year, and about 80% of the relocations are completed by just 10% of the agencies, according to Office of Management and Budget data.

The application automates federal rules on relocations and adheres to Federal Enterprise Architecture and eTravel Service standards. Per diem and standard mileage rates are automatically updated, as well as federal and state tax rates based on locations and travel dates.

Agencies are under pressure from OMB and lawmakers to gather employee relocation costs. A mandated biennial report compiled by the General Services Administration from agencies' relocation data contained information that was described as worthless (<http://www.govexec.com/dailyfed/1104/111504p1.htm>) by critics because the data was flawed and inaccurate.

To find out how much agencies spend moving workers, a Federal Travel Regulation rule proposal (<http://a257.g.akamaitech.net/7/257/2422/06jun20041800/edocket.access.gpo.gov/2004/04-25890.htm>) would require federal agencies to acquire a relocation management program by Sept. 30, 2005.

An advisory board made up of government and private industry representatives is preparing to recommend core changes to the Federal Travel Regulation's relocation rules. The board's next meeting is March 23.

(Editor's note: This document is located at www.govexec.com/dailyfed/0205/022405p1.htm.)

SDDC Deputy to the Cmdr. Retires

By LaWanda York, SDDC Public Affairs Specialist

William Lucas, the Military Surface Deployment and Distribution Command's Senior Executive Service Deputy to the Commander has retired after serving 29 years with SDDC. He was the first civilian selected as the Deputy to the Commander position. The position was slotted for a military officer when Maj. Gen. Kenneth L. Piatak decided to have it converted to a Senior Executive Service position in 1990. SDDC works hand-in-hand with industry and Piatak believed the position needed to have a civilian deputy for continuity, corporate knowledge, and an understanding of the civilian work force.

Lucas began his government tour of duty during his service in the Army from 1967 to 1970. He held positions with the Interstate Commerce Commission in the Inland Traffic Directorate and in the Freight Services Branch. In the span of a few years, Lucas became the branch chief. When the Deputy Division Chief for the Inland Traffic job became vacant, Lucas was selected for the position.

While he was the Deputy Director of Inland Traffic, Lucas was selected to attend the Industrial College of the Armed Forces. Upon his return from the college he worked briefly in Inland Traffic and then was asked to work for the Army Staff at the Pentagon, where he became the assistant director for transportation in the Directorate for Transportation Energy and Troop in 1990. He started in July 1990 just as the Gulf War had begun.

Three Senior Executive Service positions came open simultaneously at the end of 1990. Ultimately, Paitak selected him for the position of Deputy to the Commander for MTMC.

Among the accomplishments for which Lucas was credited, one that stood out was the Global Privately Owned Vehicle Contract. American Auto Logistics was initially awarded the contract and it has sustained a customer satisfaction rating of 99% for a number of years. Lucas called this "one of the finest examples of a public-private partnership. They are committed to the quality of life of our service members."

He said there were only two things he would have liked to see come to term during his tenure, Families First and having a single headquarters. During his tenure Lucas dealt with massive shipments during military operations in the Gulf War, Somalia, Operation Iraqi Freedom and Operation Enduring Freedom.

Lucas met his wife, Colleen, while working at SDDC. They have three daughters, Erin, Katie and Maureen Lucas, and a son, Sgt. Bill Lucas, who is currently serving in the US Army's 25th Infantry Division with Task Force Saber in Afghanistan.



NATO Role in Iraq, Afghanistan

NATO foreign ministers have decided to increase the organization's support to Iraq and Afghanistan. They agreed to provide additional support for the parliamentary election in Afghanistan and will expand the NATO-led International Security Assistance Force by deploying provincial reconstruction teams to the western part of that country.

NATO also has changed the name of the NATO Training Implementation Mission to the NATO Training Mission-IRAQ and will provide more assistance to Iraq, increasing training and support personnel from approximately 60 to 300. An Iraqi Training, Education, and Doctrine Center will be established near Baghdad, with help from NATO, to mentor senior-level Iraqi security forces on leadership and management training. NATO also reaffirmed its commitment to maintaining a security presence in Kosovo.

SOURCE: Signal

New Law May Hurt US Influence in Latin America: Will China Fill the Void?

By Vince Crawley, ArmyTimes.com

A new law that shields US troops from the International Criminal Court could have the unexpected side effect of undermining American military relations with nations in critical parts of the world, a senior U.S. military official said.

And in many cases, China is moving to fill the void by offering its own military assistance and training, said Army Gen. Bantz Craddock, chief of US Southern Command.

“There is a danger that where we are unable to engage, others will walk in and fill that vacuum,” Craddock, who oversees US military interests in Latin America and the Caribbean, told the Senate Armed Services Committee on March 15.

“We would like to be the partner of choice, if you will, in Southern Command,” he said. “If we can’t do that, we’ll lose partners or lose those opportunities, and we may regret it in the long term.”

The American Servicemembers’ Protection Act of 2001 prohibits US military assistance to nations that have ratified the International Criminal Court treaty. US officials say they’re concerned that American troops could end up before the court, based in the Netherlands, simply for carrying out lawful military orders. Defense Secretary Donald Rumsfeld and his staff have said that if an American service member is accused of war crimes, the case should be tried only under the US legal system.

The law grants an exception to NATO members and other major allies, a list that includes Australia, Egypt, Israel, Japan, New Zealand and South Korea.

But other nations that sign the ICC treaty are barred from military cooperation such as visits from U.S. special operations and training teams under the International Military Education and Training program.

“Of the 22 nations worldwide affected by these sanctions, 11 ... are in Latin America, hampering the engagement and professional contact that is an essential element of our regional security cooperation strategy,” Craddock said.

The IMET program allows foreign military students to attend US training centers and make long-lasting contacts with American counterparts, Craddock said.

“We now risk losing contact and interoperability with a generation of military classmates in many nations of the region,” he said.

Sen. Joseph Lieberman (D-CT) said the fact that China is taking advantage of the reduction in US military contacts is a concern.

“China is now being very aggressive in its diplomacy in Latin America ... and is increasing its own military-to-military contacts and aid programs,” Lieberman said.

“Indeed, it is real,” Craddock said, referring to China’s growing influence in the area.

DFAS’s Public Website Moves

Effective March 1, 2005, the Defense Finance and Accounting Service public Web site (<http://www.dfas.mil>) has moved to <http://www.dod.mil/dfas>.

Webmasters who link to the site or pages within the site should review their links and update them accordingly. The current site at <http://www.dfas.mil> will remain available until March 31, 2005. After that date, users will be redirected to the root level of the new site at <http://www.dod.mil/dfas> and direct links to pages at the previous site will generate an error message notifying users of the move.

This move will enhance the performance of the DFAS public Website, provide redundancy to prevent down time and provide opportunity for enhanced features in the future.

The new hosting of DFAS’s Public Website will allow DFAS content to be found at any of the following URLs:

www.dod.mil/dfas

www.defense.mil/dfas

www.pentagon.gov/dfas

www.defense.gov/dfas

www.defenselink.mil/dfas

www.defense.gov/dfas

New Passenger Screening System Expected to Debut in August

By Chris Strohm

The Transportation Security Administration expects to begin using a new computer system to prescreen airline passengers this summer.

TSA plans to issue a regulation giving it the power to check passengers flying on two of the nation's air carriers against expanded government no-fly and terrorist watch lists starting in August, said a TSA spokeswoman. The agency has not decided yet which carriers will be selected.

The system, called Secure Flight, is intended to check personal information on everyone who flies within the United States against watch lists of known or suspected terrorists at the FBI's Terrorist Screening Center, including expanded no-fly and selectee lists. Information that might be checked could include a passenger's name, reservation date, travel agency or agent, travel itinerary, form of payment, flight number and seating location.

U.S. Bank Buys Aviation, Trucking Card-Services Firm

U.S. Bank said recently it had agreed to purchase the aviation business of Multi Service, a provider of aviation and trucking credit card services.

Financial terms of the agreement were not disclosed. About 100 Multi Service staff members will become employees of U.S. Bank as part of the acquisition, U.S. Bank said in a statement.

"We are excited to expand our commercial payment solutions into the aviation space," said Robert Abele, executive vice president for U.S. Bank Corporate Payment Systems.

U.S. Bank is a unit of U.S. Bancorp, the sixth-largest financial services holding company in the United States.

SOURCE: Transport Topics

(Editor's Note: U.S. Bank is the entity that holds the contract with the US Department of Defense to handle payments to shipping contractors, including HHG Transportation Providers, under its PowerTrack system.)

DOT Proposes Additional Air Cargo Rights to China

The Department of Transportation recently proposed to award new weekly cargo flights to China to four air carriers currently serving the US-China market.

DOT proposed awarding three all-cargo flights each to FedEx Corp., UPS Inc., Northwest Airlines, and Polar Air Cargo. They would become available on March 25, 2006, DOT said.

Last year, DOT named Polar as the first new-entrant carrier under the agreement and awarded additional flights to incumbent carriers United, Northwest, FedEx, and UPS.

—SOURCE: Transport Topics

European Airports Post Records

Spurred by a strong December and growing international volumes, Europe's major airports are reporting record-breaking increases in cargo traffic in 2004.

Air freight traffic at Frankfurt Airport was up a sizzling 18.8% in December over the same period in 2003. The airport actually posted a new daily cargo record on Dec. 12, when it handled 7,897 metric tons of freight. For the year, Frankfurt handled a record 1.75 million metric tons, 13.1% more than the previous year. The growth was driven by cargo volumes moving to and from Asian markets as well as to destinations in South America and North Africa, according to the airport.

Amsterdam's Schiphol also had a record-breaking year, with cargo traffic increasing more than 8.5% over 2003 to 1.4 million metric tons. The gains helped the airport keep pace with major competitors at London Heathrow, Frankfurt, and Paris-Charles de Gaulle and retain its position as Europe's third largest individual cargo airport.

In the past few years, the airport's freight operations have also been boosted by an increase in freighter traffic. In 2003, for example, freight carried by all-cargo aircraft was up 13% over the previous year while cargo carried in the belly of passenger aircraft declined by 2.5%.

Meanwhile, Europe's fourth largest cargo airport, London Heathrow Airport, handled 112,108 metric tons of freight in December to boost its full year total to 1.3 million metric tons, a healthy 8.3% increase over 2003.

Brussels Airport laid claim to fifth place among European cargo airports handling 664,335 metric tons of freight, a 9.4% increase over 2003 totals.

These end-of-the-year tallies match up well with cargo traffic increases in the market reported by the International Air Transport Association. IATA showed freight traffic between Europe and Asia/Pacific region pacing the market with an 11.4% increase over the previous year. Traffic over the North Atlantic and within Europe increased 8.5% and 7.8%, respectively.

SOURCE: Ed McKenna, writing in Traffic World

FedEx Sets Europe-to-China Direct Air Connection

FedEx Corp. unit FedEx Express said it launched the air cargo industry's first direct flight from mainland China to Europe.

The company said the flights will provide daily service from Shanghai, China, to Frankfurt, Germany, using MD-11 aircraft.

It said the flights are part of a new westbound around-the-world air network that starts and ends in Memphis, Tenn., FedEx Corp.'s headquarters.

FedEx Corp. is No. 2 on the Transport Topics 100 listing of U.S. and Canadian for-hire carriers.

SOURCE: Transport Topics

Forwarders Urged Not to Sign for Shippers' Liability

Forwarders are being advised not to sign up to the latest IATA Dangerous Goods Shippers Declaration, which was due to be instigated from January of this year.

For the first time, the IATA regulations allow forwarders to complete and sign the Shipper's Declaration for Dangerous Goods in lieu of the shipper.

"Clearly, this sets a whole new tone in terms of liability for the forwarder when a claim arises as a result of a wrong declaration or an accident related to mishandling of dangerous goods," said one forwarder's representative body. Signature by the forwarder of the declaration assigns liability directly to the forwarder.

"As a consequence, the FIATA Airfreight Institute — after consultation with lawyers and insurance companies — explicitly recommends [forwarders] refrain from completing and/or signing the shippers declaration on behalf of its customers," says a statement.

Online Shipping Rewards

American Airlines Cargo Division is launching a program that will allow its customers to earn travel rewards for booking cargo shipments online at AACargo.com.

The program, which will be administered through the American Airlines www.businessextraa.com Website, allows companies that enroll in the program to earn credits toward free travel certificates, upgrades, and Admirals Club memberships for qualified shipments and business travel on American Airlines, American Eagle, or AmericanConnection.

Leisure Airfares on the Way Up

Leisure airfares will rise in coming months as airlines try to bring in more money without increasing business fares, warns travel specialist Rudy Maxa. Several airlines — including American, Delta, and Northwest — recently reduced business fares to attract last-minute fliers who might otherwise use such low-cost airlines as Airtran and Southwest. One benefit for all fliers: Elimination of the required Saturday night stay to get low fares.

SOURCE: Botton Line Personal

Don't Drink the Water!

Don't drink airplane water. The tap water on more than 17% of planes recently tested contained disease-causing bacteria, including E. coli. Twelve US airlines now have agreed to new voluntary testing standards; they will test the water systems on each of their planes annually, give results to the Environmental Protection Agency, flush onboard water systems four times a year, and post signs to stop use of aircraft tap water if high levels of bacteria are found. So the next time you fly, you might want to bring your own bottled water.

For more information, visit www.epa.gov/airlinewater.

Save with Customized Travel Packages

The Web's three big travel sites — Expedia, Orbitz and Travelocity — go a step beyond vacation packages with preselected combinations. They also offer customized packages that let you choose which airline, hotel and rental-car company you want to combine. The total price may be significantly lower than if you booked the pieces separately. Expect to find the best deals for domestic and Caribbean destinations. Custom packages to international destinations don't usually offer sizable discounts. When shopping for the best deal, remember to check the sites of discount airlines, such as Southwest (www.southwest.com), and Independence Air (www.Flyi.com), which don't sell seats on the top travel sites.

CHEAP FLIGHTS IN EUROPE

<http://www.cheap0.com> (<http://fita.m.xtenit.com/ct.jsp?uz663502Biz702267>)

If you're going to be flying from one European country to another, check out cheap0 (<http://www.cheap0.com>), a site with a database of budget airline routes in Europe. All you do is choose your country and airport of origin and destination, click "search," and you'll find out if there's a budget route available. You can also click on "All Routes" at the top of the page to get a master list, and you can also browse by country, airline, and airport. If you click on "Other Resources," you'll get links to budget ticket agents, travel insurance, accommodations, and car rentals.

FRAGOMEN COUNTRY BRIEFS

<http://www.fragomen.com/resources/cdbase.shtml>

In these times of heightened national security, many countries have expanded their entry requirements for visitors. It's important to know what documents are required before you travel, and a good place to find that out is Fragomen Country Briefs (<http://www.fragomen.com/resources/cdbase.shtml>). Just click on a country at this page, and you'll get an excellent overview of the rules and regulations concerning passports, visas, immigration documents, corporate applications, and other relevant matters for that country.

These items are copied from the newsletter Really Useful Sites for International Trade Professionals, a free, biweekly email publication of FITA—The Federation of International Trade Associations. Please feel free to subscribe to this newsletter at <http://fita.org/useful>.



Young Professionals

"Leadership Through Innovation"

Young Professional in China

Unlike in China, most of the managers under 35 years old in other countries are professional managers or the offspring of family firms. However, in China's household goods moving field, most managers are entrepreneurs. These entrepreneurs and their managing teams are very characteristic of a new breed of management structure in Chinese companies today.

When first established in 1994, Rexmovers was mainly engaged in simple moving operations: Packaging, warehousing, booking, loading and account statistics. In 2000, Rexmovers employed Mr. Frank Fu, who was previously a project manager at China.com, to run the market research arm of the company. After researching and analyzing the market, we planned our products from the angle of value pricing and targeted marketing. In 2001, Rexmovers focused on quality management and took lessons learned from 8 years experience to further improve both our service and internal processes. In 2004, we applied to implement ISO9001:2000. During this period, the HR manager reviewed our personnel's ability and cultivated executives in the company via performance appraisals. Ms Grace Zhao, now the business manager of Rexmovers, joined the company in 2002 and subsequently was promoted to a management position. Rexmovers is now an integrated company consisting of a marketing department, sales department, financial department, human resources department and quality department. The management team at Rexmovers is, on average, 30 years old and full of experience and energy.

After I joined YP-35 in 2000, I met a lot of business managers from different countries at the HHGFAA Annual Meeting. We exchanged management experiences with each other and these experiences have proven to be quite helpful. Here I would like to thank Mr. Gilbert and Ms. Heather for their recommendation of YP-35.

China's household goods moving is growing rapidly, and as it grows, so does Rexmovers's business. Our management team will strive to provide our client base with excellent service both now and in the future.

Article provided to YP-35 by
Grace Zhao, International Removals Manager
Rex Service Co.,Ltd
Phone: 86 22 23309120
Fax: 86 22 23309115
E-mail: zhaolei@rexmovers.com
Website: www.rexmovers.com

JOIN TODAY! Membership Only US\$100.00

Access www.YP-35.org for more information.

PLEASE NOTE:

It is up to YP-35 members to maintain current data on the Website. Please take a moment to log in and verify your information. Make sure that your birth date is listed! If you have difficulty accessing the Website, or if you have questions or ideas concerning YP-35, e-mail Ruby@euroamerica.net.

ALAN F. WOHLSTETTER SCHOLARSHIP UPDATE

The Alan F. Wohlstetter Scholarship Fund is the cornerstone for the HHGFAA Scholastic Assistance Program, which is aimed at promoting and supporting individuals engaged in higher education involved in the areas of transportation and logistics. At last the Scholarship program is in place.

Donations (by major annual giving levels) to the Alan F. Wohlstetter Scholarship Fund received to date are as follows:

Platinum (\$5,000 or more)

Household Goods Forwarders Association of America, Inc.
Joyce Wohlstetter
Manchester Grand Hyatt Hotel, San Diego

Jet Forwarding Inc.
National Van Lines, Inc.
Orca Moving Systems
Pac Global Insurance Brokerage, Inc.
The Pasha Group

Gold (\$2,500–\$4,999)

Deseret Forwarding International, Inc.
Tri-Star Freight Systems

Bronze (\$500–\$999)

American Red Ball International
American Vanpac Carriers Inc.
Great American Forwarders
Terry R. Head
Phoenix Transport Services
The Day Companies
True North Relocation

Silver (\$1,000–\$2,499)

Abba International Inc.
Axis International
Covan International Inc.
Denali Group Companies
Evergreen Forwarding, Inc.
Gosselin World Wide Moving NV
Hayden-Boettcher & Co.

In Kind or Other

S & E Transportation

Join this prestigious list of contributors by sending your contribution TODAY! For more information on how to donate, please go to www.hhgfaa.org or www.yip-35.org. Make checks payable to **Alan F. Wohlstetter Scholarship Fund**.

Alan F. Wohlstetter Scholarship Fund

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Listening to Small Business Saves \$17 Billion

Federal agencies that listened to the voice of small business early in the regulatory process saved America's job creators over \$17 billion in 2004, according to a report by the Office of Advocacy of the US Small Business Administration. The Report on the Regulatory Flexibility Act, FY 2004 details federal agency compliance with the Regulatory Flexibility Act (RFA). The RFA requires agencies to consider the impact of their rules on small entities and examine significant alternatives that reduce it.

By working with federal agencies, the Office of Advocacy helped America's entrepreneurs save over \$17 billion in potential regulatory costs during 2004," said Thomas M. Sullivan, chief counsel for advocacy. "Agencies that listened to small business were able to devise regulations that met their goals while avoiding one-size-fits-all rules that disproportionately burden small business. That is a win for everyone," he said.

One example of the win/win approach to reducing small business burden was the Department of Transportation's (DOT) proposal to de-regulate its Computer Reservations System (CRS) regulations. Advocacy worked with small businesses to present their views on how some of the proposed changes would harm small travel agencies. After listening to Advocacy and other small business representatives, DOT issued final regulations that gave small businesses more time to adjust to the changes and allowed travel agencies to negotiate their own contracts with CRSs. DOT revisions to the rule saved small businesses \$438 million annually.

Website: www.sba.gov/advo.

Small Business Lending on Rise, Study Shows

Lending by the most important institutional supplier of credit to small firms — commercial banks — increased in 2002-2003, according to a report released by the US Small Business Administration (SBA).

"Information about which banks are making small loans is critical to the health of small businesses," said Dr. Chad Moutray, chief economist for the Office of Advocacy. "This kind of information helps small businesses save time and shop efficiently for credit-and it also helps the banking sector understand the competition in their markets."

The report, Small Business and Micro Business Lending in the United States, for Data Years 2002-2003, includes lists of the top state lenders of loans under \$1 million and \$100,000, based on the Reports of Condition and Income (Call Report) and Community Reinvestment Act (CRA) data. Four sets of tables rank large Bank Holding Companies (BHC) and commercial banks nationally and by state. Findings also include:

- Small business loans outstanding (loans under \$1 million) totaled \$495 billion as of June 2003, an increase of \$11.1 billion or 2.3% between June 2002 and June 2003, compared with an overall increase of 5.1% over the previous period.
- In 2002, small business loans under \$1 million totaling \$227.5 billion were extended by 905 CRA-reporting banks/BHCs, compared with \$203 billion in 2001. Large multibillion-dollar banks and BHCs made 5.3 million micro business loans valued at \$73 billion in 2002, compared with \$4.9 million loans valued at \$62 billion in 2001.
- The CRA data confirm the findings in the Call Report data of the importance of multibillion-dollar banks and BHCs in the market for the smallest loans.

For a copy of the report, visit <http://www.sba.gov/advo/research/lending.html>.

Commerce Secretary Faces Big Challenges

Job number one for Commerce Secretary Carlos Gutierrez: Boosting exports, especially for small firms. The new agency head will push plans to help small businesses break into overseas markets and benefit from the weak dollar. The Commerce Department's US Commercial Service is launching programs to help small businesses in developed and emerging markets.

For more information, go to www.export.gov/exportbasics/index.html.

It Could Be a Small (Business) World After All: Info for Your Customers Who Want to Export

Small-and medium-sized enterprises (SMEs) account for more than 29% of total US goods exported, and represent 97% of all US exporters, according to the *International Trade Administration Statistical Handbook* on exporting SMEs.

Now the Small Business Administration (SBA) finds that it's not out-of-pocket transaction costs keeping SMEs from bringing their products to the global marketplace. It's the psychological, personal, and opportunity costs. The biggest psychological barrier to exporting is uncertainty about overseas markets, according to the SBA report *Costs of Developing a Foreign Market for a Small Business: The Market and Non-Market Barriers to Exporting by Small Firms*.

The *SBA Guide to Breaking into the Trade Game* includes questions to help SMEs build an export business plan ... and PIERs trade data can supply the answers about potential markets and customers. For links to the *ITA Handbook* and the SBA report and exporting guide, and to learn more about PIERs global intelligence resources, go to <http://www.piers.com/learnmore>.

A startling 59% of senior executives claim they do not deserve customer loyalty (up from 45% in 2003), and only 31% affirm that they have the tools and authority to serve their customers, according to the 2004 annual survey and Customer Experience Management (CEM) report from Strativity Group, Inc. and CustomerSat, Inc. Sixty-five% also say that their executives do not meet frequently with customers. "These results indicate a major vote of no-confidence by executives, an inability to move from intention to execution, and an overall failure to deliver successful customer strategies," states Lior Arussy, company founder and author of the upcoming book *Passionate & Profitable* (Wiley, 2005). When asked about the economics associated with managing customer relationships, most respondents didn't know such basic information as the average annual value of a customer, the cost of a customer complaint, and the annual customer retention rate. Only 44% of participants agree that their company is truly committed to the customer.

Small Businesses Get Increased Access To Overseas Contracts

For small businesses, accessing the \$300 billion federal marketplace continues to be a challenge — particularly for those contracts performed overseas. Only 1% of the government overseas contracts are awarded to small companies, and fewer than 520 of the more than 23 million small businesses in the United States are performing work abroad.

There is no system for holding federal agencies accountable for providing small businesses with international contracting opportunities, as they are required to do for domestic contracts. Rep. Nydia Velázquez, Ranking Democrat on the House Small Business Committee, has successfully championed an amendment to require contracts funded by H.R. 1286, the supplemental appropriations bill, to be included in the calculation of the federal government's small business achievement goals.

“Unfortunately, while 23 percent of contracting dollars spent domestically must include small businesses, there is no requirement that small companies have access to the bulk of overseas contracts,” Velázquez said. “This amendment changes that, by requiring that small companies have access to international contracts, just as they do for domestic work. By requiring that contracts funded by this bill are calculated in the federal government's small business goals, we start to instill credibility in the system, while ensuring that small firms receive their fair share.”

H.R. 1286 provides an additional \$81.3 billion for operations in Iraq and Afghanistan. Most of this funding will be spent through contracts for overseas work. However, without the Velázquez amendment the bulk of the contracts potentially would have been awarded to large corporations.

The federal government has failed to meet its mandated small business contracting goal for the fourth year in a row — costing them \$15 billion in lost contracting opportunities in FY 2003 alone. Velázquez's amendment would ensure that small businesses have access to overseas contracting opportunities, while ensuring that the company that can do the highest quality work for the lowest price will win the contract.

The US Small Business Administration has launched a new electronic gateway for US businesses to connect with federal agencies. Business.gov is a one-stop online federal information and services portal for small business owners. The site includes special “wizards” to assist business owners with questions and forms. More information is available at www.business.gov.

Manpower Releases Employment Outlook Survey

Milwaukee-based staffing company Manpower has released its *Employment Outlook Survey* for the second quarter of 2005. The study is conducted in the United States by Manpower's market intelligence team, which surveyed 16,000 employers on a single question: "How do you anticipate total employment at your location to change in the three months to the end of June 2005, as compared to the current quarter?"

The findings showed that 30 percent of US employers planned to add staff in the second quarter, and 7 percent expect to reduce their head count. Fifty-eight percent expected their staff levels to stay the same, and 5% didn't know. Among the 10 industry sectors included in the study, employers in seven of them planned more hiring than a year ago. Of these, employers in the public administration, mining, finance/insurance/real estate, education, durable goods manufacturing and transportation/public utilities sectors anticipated more hiring, while employers in the nondurable goods manufacturing and services sectors expected staff levels to stay the same. Only the construction and wholesale/retail trade employers anticipated a decline in staff levels.

Of the regions surveyed (Midwest, Northeast, South and West), job prospects were brightest in the West, while employers in the Northeast expected to hire more conservatively.

Manpower also conducted a similar survey of 21 countries and territories worldwide and found that employers in 19 of those areas expected more hiring in the April–June quarter.

Website: www.us.manpower.com

Workaholism: The 'Respectable' Addiction

Adapted from an article by Sid Kirchheimer

In Japan, it's called *karoshi* — "death by overwork" — and it's estimated to cause 1,000 deaths per year, nearly 5% of that country's stroke and heart attack deaths in employees under age 60.

In the Netherlands, it's resulted in a new condition known as "leisure illness," estimated to affect 3% of its entire population, according to one study. Workers actually get physically sick on weekends and vacations as they stop working and try, in vain, to relax.

And here in the U.S., workaholism remains what it's always been: the so-called "respectable addiction" that's dangerous as any other and could affect millions of Americans — whether or not they hold jobs.

"Yes, workaholism is an addiction, an obsessive-compulsive disorder, and it's not the same as working hard or putting in long hours," says Bryan Robinson, PhD, one of the nation's leading researchers on the disorder and author of *Chained to the Desk* and other books on workaholism.

The difference between hard work and workaholism

"Hard work put us on the moon and discovered vaccinations and built this country," says Robinson. "But hard workers generally have some balance in their lives. They sit at their desks and think about skiing. The workaholic is on the ski slopes thinking about work."

Their obsession with work is all-occupying, which prevents workaholics from maintaining healthy relationships, outside interests, or even take measures to protect their health.

"These are people who may have children, but miss Little League games and school plays when they don't have to, not because they have to be at work but because they feel they need to," says Tuck T. Saul, PhD, a psychotherapist in Columbus, Ohio, who frequently counsels workaholics. "They neglect their health to the point of devastating results and ignore their friends and family. They avoid going on vacation so they don't have to miss work. And even if they do go on vacation, they aren't fully present because their mind is still on work."

"As with any other 'aholism,' there is often a lack of understanding as to how their work addiction affects themselves and others," says Tuck. "Often, they only realize their problem when something catastrophic happens to them — their health completely fails or their marriage or relationships are destroyed."

Addicted to Adrenaline

Such was the case with Cheri, a 52-year-old nurse in California. Several years ago, she realized she was a workaholic and has since attended Workaholics Anonymous (WA) meetings once a week — which like Alcoholics Anonymous — has its own 12-step recovery program. Now, she volunteers to help others in the group's Menlo Park headquarters.

“I was wildly successful in my career, a very effective worker and my employers loved me,” she says. “But outside of work ... well, there was no outside of work. I never thought I had a problem until I tried to get into a close relationship, for something like the fifth time. That was my wake-up call, and it probably helped that my partner was in his own 12-step recovery for another addiction at the time. I took the 20-question quiz at the WA web site and 16 [of them] described me to a T. He was getting better and I realized I had my own addiction — to adrenaline.”

Don't laugh. Workaholics can have a physiologic need for that adrenaline rush, says Robinson, a psychotherapist in Asheville, N.C., and professor emeritus at the University of North Carolina, Charlotte.

“One thing that we do know is that workaholics tend to seek out jobs that allow them to exercise their addiction,” he says. “The workplace itself does not create the addiction any more than the supermarket creates food addiction, but it does enable it. Workaholics tend to seek high-stress jobs to keep the adrenaline rush going.”

This is true even if they don't work outside the home.

“We're seeing more women workaholics now because women are more visible in the workplace. But it's my belief that even before this trend, workaholics were doing this in the home,” says Robinson. “It could be in their parenting to the point where there is nothing else to balance their lives, no hobbies or fun or spirituality, because they spend all their time as the PTA president, running the youth sports league, and being a Scout leader.”

Disorders often stem from childhood

Research shows that the seeds of workaholism are often planted in childhood, resulting in low self-esteem that carries into adulthood.

“Many workaholics are the children of alcoholics or come from some other type of dysfunctional family, and work addiction is an attempt to control a situation that is not controllable,” says Robinson. “Or they tend to be products of what I call ‘looking good families’ whose parents tend to be perfectionists and expect unreasonable success from their kids. These children grow up thinking that nothing is ever good enough. Some just throw in the towel, but others say, ‘I'm going to show I'm the best in everything so [my] parents approve of me.’”

The problem is, perfection is unattainable, whether you're a kid or a successful professional.

“Anyone who carries a mandate for perfection is susceptible to workaholism because it creates a situation where the person never gets to cross the finish line, because it keeps moving farther out,” says Saul.

That is why despite logging in mega hours and sacrificing their health and loved ones for their jobs, workaholics are frequently ineffective employees.

Workaholic styles

“Overall, workaholics tend to be less effective than other workers because it's difficult for them to be team players, they have trouble delegating or entrusting co-workers, or they take on so much that they aren't as organized as others,” says Robinson.

In fact, his research indicates four distinct workaholic “working styles”:

- The **bulimic workaholic** feels the job must be done perfectly or not at all. Bulimic workaholics often can't get started on projects, and then scramble to complete it by deadline, often frantically working to the point of exhaustion — with sloppy results.
- The **relentless workaholic** is the adrenaline junkie who often takes on more work than can possibly be done. In an attempt to juggle too many balls, they often work too fast or are too busy for careful, thorough results.
- The **attention-deficit workaholic** often starts with fury, but fails to finish projects — often because they lose interest for another project. They often savor the “brainstorming” aspects but get easily bored with the necessary details or follow-through.
- The **savoring workaholic** is slow, methodical, and overly scrupulous. They often have trouble letting go of projects and don't work well with others. These are often consummate perfectionists, frequently missing deadlines because “it's not perfect.”

Getting help

What can be done? Counseling is often recommended for workaholics, and support groups, such as Workaholics Anonymous, are beneficial, say the experts.

“It really comes down to recognizing a need for balance in your life,” says Robinson. “Working hard is great, but you need to be able to turn it off and savor the other parts of your life — friends, family, hobbies, and fun.”

But many companies often confuse workaholics for hard workers, in essence enabling them on their path to self-destruction.

“I wouldn't say that corporations cause workaholism, but I think they truly support it,” says Diane Fassel, PhD, president of Newsmeasures, Inc., a Boulder, Colo., business consulting firm, and the author of *Working Ourselves to Death*.

“Even though workaholism is the addiction de jour in American corporations, I'm not sure that many companies offer employee-assistance programs for it, as they do for alcohol or drug abuse,” says Fassel. “Instead they often reward it.”

—SOURCE: WebMD

Fuel Suppliers See Problems In Meeting '06 ULSD Deadline

By Daniel W. Guido

An association of fuel suppliers and pipeline companies said it would ask the federal government to allow them to sell diesel fuel with slightly higher sulfur levels than environmental rules would allow next year.

The refinery and pipeline officials said they feared they would not be able to consistently deliver diesel fuel with only 15 parts per million of sulfur, because of contamination in pipelines and storage tanks that carry fuels with higher sulfur content.

The request by the National Petrochemical and Refiners Association follows a large pipeline company's call for an extension of the mid-2006 deadline for delivering ultra-low sulfur diesel until pipeline companies can isolate and repair sites in pipeline systems where additional sulfur would contaminate the new ULSD.

—Daniel W. Guido is a staff reporter at Transport Topics, from which this article was adapted.

Cummins Considers Production in China

Diesel engine maker Cummins Inc. says it will study forming a joint venture with China's Shaansi Automobile Group Company Ltd. to produce the Cummins ISM 11-liter heavy-duty engine in the Chinese city of Xi'an.

Cummins said in a statement this was the final step before the companies signed a joint-venture agreement. Construction of a plant could begin by the fourth quarter of 2005 and production could start by the third quarter of 2006.

Shaansi Group is the leading producer of heavy-duty trucks in China and has been buying a small number of imported engines from Cummins for several years, Cummins said.

SOURCE: Transport Topics

US Customs and Border Protection Reinstates Testing of Automated Commercial Environment at Blaine

On Jan. 31, the US Customs and Border Protection (CBP) agency reinstated testing of the Automated Commercial Environment (ACE), and its commercial truck processing capabilities at the port of Blaine, Wash. The ACE is the new commercial trade processing system being developed by CBP to enhance border security and expedite legitimate trade.

The ACE will replace the current import system, the Automated Commercial System (ACS). The ACE will revolutionize how CBP processes goods imported into the United States by providing an integrated, fully automated information system to enable the efficient collection, processing, and analysis of commercial import and export data.

The initial pilot found technical problems that resulted in lengthy system response times and usability issues. After 3 weeks of testing, the pilot was suspended to correct these problems and to install software upgrades.

In December, two electronic or “e-Manifests” were submitted through the ACE Secure Data Portal in Blaine, the first truck manifests ever to be submitted electronically.

There are nearly 400 importer, broker, and carrier accounts, representing more than 30% of the total value of fiscal year 2003 imports.

Truck carriers are encouraged to establish ACE truck carrier accounts and become certified to use the Electronic Data Interchange (EDI) messaging system for electronic truck manifests to ensure smooth border operations when these capabilities are eventually mandated.

Preparations for ACE transitions at additional ports are progressing. Schedules and the port locations will be announced at a later date.

For information about how to establish an ACE account, e-mail CBP at acenow@dhs.gov. Also, check for the latest updates for ACE application information on the CBP Website at www.cbp.gov/modernization/.

Wireless Trailblazers

Transportation executives are pulling the plug on landline technology and plugging into the latest wireless offerings. The industry has embraced wireless technology in day-to-day business operations as a cost-effective way to improve operations and customer service, says a new opinion poll, commissioned by Nextel and conducted by Harris Interactive, Rochester, N.Y.

The emerging role of wireless communications in large and medium-sized transportation enterprises is fueled by the availability of push-to-talk service, wireless local area network (WLAN), and GPS solutions, as well as a desire by companies to extend their wireless bar-code scanning capabilities.

The survey polled 78 transportation executives across the country and found cellular calls (98%), push-to-talk service (69%), BlackBerry devices (58%), and bar-code scanning (60%) to be the industry’s top four uses of wireless technology. In addition, transportation firms highlighted the growing use of WLANs for their offices and warehouses.

The transportation sector identified geographic coverage (67%) as the primary criterion for selecting a wireless carrier, far outpacing data network speeds (9%) and pricing (11%).

SOURCE: Inbound Logistics

CHINA: Not to Be Ignored

A few statistics from the CIA’s *World Factbook* illustrate why no president, no Pentagon, no Congress can safely ignore China, especially not its military: population: China 1.3 billion people, United States, 293 million; labor force: China, 778 million, United States, 142 million; potential soldiers (male) aged 15 to 49: China 379 million, United States, 74 million; industrial production rate of growth: China, 30.4% in 2003; United States, minus 1%.



A look at the people and events shaping HHGFAA member companies

APPOINTMENTS



Smigel



Coccia



McCarthy



Loftin

Sharon Wollerman has joined **Arpin International Group**, one of the world's leading corporate movers, as operations manager in the company's newest office in Manhattan.

Wollerman is in charge of household goods and storage logistics for high profile clients, staff mentoring and development and assisting the general manager with all pricing proposals.

A former senior relocation manager at Interdean/Interconex, Wollerman has over 9 years of experience in the household goods relocation industry. She has handled logistics for many Fortune 500 companies.

Wollerman is fluent in Mandarin, the official dialect in China, and spent 6 months in Huangzhou of the Hubei Province teaching English to the local population.



Fluiters Internacional of Madrid, Spain, has named **Amaya Coccia** to manage its International Division. Coccia succeeds Teresa Rodríguez, who left the company on Feb. 25. Rodríguez left to join her husband, Esben Justesen of Faaborg Flytteforretning in Denmark, whom she had met during a Young Movers Conference in 2002 and married last September.

Coccia is of Spanish/Italian origin and had been Rodríguez's assistant. Coccia speaks three languages — Spanish, Italian, and English — and is experienced in international moving. Her e-mail address is internation@fluiters.es.



Curt Smigel has joined the **AE Worldwide** sales team as regional sales director. His sales efforts will be primarily focused in the Central States corridor.

Smigel has over 15 years of experience in the household goods industry, having represented agents for United, Mayflower, North American and Atlas Van Lines. He also has expertise in office and industrial and crating activities. He is well-known and respected individual among the van line agents nationwide.



Coleman American Companies, Inc., of Dothan, Ala., recently announced the appointment of **Billy McCarthy** as controller. In his new role, McCarthy will be responsible for ensuring successful implementation and documentation of key accounting policies and procedures at Coleman American. He will play a critical role in ensuring the accuracy and timeliness of Coleman's financial reporting systems.

McCarthy, a Certified Public Accountant, has an extensive accounting background in a number of related industries that will be very beneficial to his success in this new position.



Also at Coleman American Companies, **David Loftin** has been named director of business development. Loftin's new duties will include working with Coleman American's Allied/Sirva group; he also will now spearhead Coleman American's development of civilian government moving services through the GSA Champ and FSS programs, as well as develop new business prospects and partnerships to generate commercial business opportunities.

Website: www.colemanamerican.com.

EXPANSIONS

Crown Opens New Office in Stockholm

Crown Relocations has opened a new office in Stockholm, Sweden, thus expanding its global network to include Scandinavia.

Crown Stockholm will provide a full range of services, including moving services, relocation management, logistics and records management. The office and the 828-square meter warehouse are located in Haninge (Jordbro), and are well situated to serve the business district of the city.

“Stockholm is an important European location and the securing of a contract with a large financial firm provides us with an excellent springboard into Scandinavia,” noted David Muir, CEO EMEA.

Erik Pettersson, business development manager for Crown Sweden, will head up the new office in Stockholm. Pettersson is a graduate of Crown University and has been with Crown for over 2 years.

Website: www.crownrelo.com. E-mail: epettersson@crowrelo.com

Crown, Wheaton Announce Partnership

Crown Relocations has formed a partnership and agency affiliation with **Wheaton World Wide Moving**. The agreement covers Crown’s operating branches in Los Angeles, San Francisco, Houston, Dallas, Chicago, Miami, Washington DC, New Jersey, and Honolulu.

Founded in 1945, Wheaton World Wide Moving (www.wheatonworldwide.com) offers domestic and international household goods moving services as well as special commodities transportation and logistics services.

Ray daSilva, Crown’s Americas Region CEO, noted, “Crown and Wheaton share common entrepreneurial roots and a business philosophy that places quality improvement as the highest priority. Wheaton takes great pride in its reputation for quality and financial stability and so does Crown. There are tremendous synergies in this partnership. In complementing each others respective strengths, we bring a new, dynamic full service alternative to the relocation and moving market.”

Crown is recognized as one of the leading firms specializing in corporate international moving and relocation services. The affiliation with Wheaton enhances Crown’s ability to provide high quality, competitive moving services in the domestic US market, the companies said.

Doree Bonner Int’l Strengthens Position in Kent

Doree Bonner International has further strengthened its position with a new acquisition in Kent. F. Chapman and Sons, based in Paddock Wood, was a family run business, which had been in operation for 103 years. Last week it was bought out by the Doree Bonner International Group, making this latest success the third site in the county for the group.

Colin Chapman noted: “I firmly believe that Doree Bonner International will continue to provide Chapman’s customers with the excellent service that they do in other areas of their business, and to the same standard we always strove for, to that end I am happy that family name of F. Chapman and Sons will continue under the Doree Bonner International Group umbrella.”



Asian Tigers Vietnam Moves

Asian Tigers Transpo International (Vietnam) Ltd. has moved its office and warehouse into new premises, effective Nov. 1, 2004. The new office space features large storage facilities of over 9,000 square feet and is part of the newly built Northern Vietnamese Inland Customs Depot of Hanoi.

The project was developed by Hanoi Peoples Committee, for the exclusive use of the Hanoi General Customs Department. The activity of the complex is predicted to rise rapidly, and will be the focal point of transit of 30% of all the import and export shipments of Northern Vietnam (10,800 TEUs per year).

Asian Tigers Transpo International (Vietnam) Ltd. is the only privately owned company located in the state-owned premises, together with Vietnam Airlines. The depot is based in the My Dinh area, west of Hanoi, and comprises 155,000 square feet of enclosed yard with 24-hour security supervision, custom-bonded warehouses, reefer warehouses, container scanner and a trading center. A total of 197 customs officials will be on duty in this area this year.

For more information, e-mail Thomas Meyer, director of the Hanoi branch, at thomas.meyer@asiantigers-vietnam.com. Website: www.AsianTigersGroup.com.

ISO NEWS

On Jan. 14, 2005, **Santa Fe Relocation Services** received ISO14001 certification, the internationally recognized standard for environmental management systems for its Shanghai and Beijing offices.

ISO14001 is an Environmental Management System that will allow Santa Fe to effectively control the impact of the company's services on the environment. "Improving our environmental performance demonstrates our commitment to sustainable development here in China," noted Carey Chan, Santa Fe's client services manager in Shanghai.

"Santa Fe continuously works to reduce and eliminate any negative impact on the environment while complying with local government environmental legislation and regulations. Likewise, Santa Fe strives to raise awareness of all our employees through environmental education.

"Santa Fe is firmly dedicated to ISO standards, which are a part of the company's strategic plan and actively promotes the 4Rs: Reduce, Recycle, Reuse, and Replace.

Website: www.santaferelo.com



St. Louis, Mo.-based **Vanliner Insurance Company**, a leading insurer of the moving and storage industry, has received ISO 9001:2000 registration.

National Quality Assurance USA (NQA), a world-renowned ISO registrar, conducted the registration audit, according to Gale Preston, chief operating officer and executive vice president of Vanliner.

The ISO 9001 standard is an internationally accepted set of guidelines and requirements used to define a globally recognized "Quality Management System" for an organization. One of the main tenets of the standard is for a corporation to demonstrate continual quality improvement.



Asian Tigers K. C. Dat Hong Kong announced that it has been awarded ISO 14001 certification by SGS (HK) Ltd.

CEO Rob Chipman said, "The pressure to provide greater quality is a major factor in the international moving business. The ISO programs are a world recognized and respected benchmark. Asian Tigers K. C. Dat Hong Kong is very proud to have achieved ISO 9001, FAIMISO, and now ISO 14001. This demonstrates our commitment to the quality systems, and to protecting our environment." Asian Tigers Hong Kong joins its fellow Asian Tiger offices in Singapore and China (both ISO 14001 certified) in advancing the group's commitment to the environment.

John Wong, quality manager for Asian Tigers K. C. Dat Hong Kong, added, "It was a very challenging task, made even more difficult because we elected not to hire an outside consultant. Instead we opted to manage the entire process in-house. If it were not for the considerable efforts and contributions of my coworkers, it would not have happened."



Hong Kong's quality manager John Wong presents the ISO 14001 certificate to CEO Rob Chipman.

As of January 14, 2005, **Santa Fe Relocation Services** successfully obtained ISO9001:2000 certification for its Relocation Division.

The services covered by the ISO 9001:2000 certification include Visa & Immigration Services, Tenancy Management, Expense Management, Home Search, School Search, City Orientation and Look See Programs.

ISO 9001:2000 certification is primarily concerned with quality management demonstrating that an organization is able to effectively fulfill the customer's quality requirements, and applicable regulatory requirements, with the objective of enhancing customer satisfaction, and achieving continual improvement of its performance in pursuit of these objectives.

Website: <http://www.santaferelo.com>

Global Launches New Website

Global International has launched a new version of its Website in five languages, English, Spanish, Portuguese, French, and German. The site currently gets 2000 hits a day, according to the company's Andrew Rosemeyer. "We see the Internet as one of the most important external marketing tool available," said Rosemeyer.

Global is reaching its goals in becoming an industry leader in the Iberian Peninsula's leader, Rosemeyer said. In addition to opening in Lisbon, Portugal, last year, the company has also opened branches in Valencia, Alicante, Barcelona, and Oporto.

So far this year Global's business has increased 345% compared to the same months last year.

Move One Launches Monthly Newsletter Expats in China

As a company that helps individuals and families relocate to China every day, Move One plays an important role in helping expatriates make the transition to life in China. And as anyone who's been through an international relocation is well aware, one of the most challenging aspects of any relocation is adjusting to your new surroundings.

Move One has launched a new free monthly newsletter containing stories and information compiled and written by an expatriate staff that is familiar with the ins and outs of living in China. The newsletter focuses on issues relevant to the expat experience in China; the inaugural edition features stories on everything from the Chinese government's new "Green Card" program to an article on Beijing's circumspect air quality, a concern for many expats making the move to the Chinese capital.

Having provided both import and export moving services in China for over a decade, Move One International Movers recently established a new customer service branch in Beijing. Specializing in individual, corporate and diplomatic moves, the American-owned moving company offers door-to-door relocations from and to any location in the world. Move One's relocation expertise also allows the company to handle a wide range of auxiliary moving services, including pet transportation and fine art shipping.

The Beijing team is headed up by Andy Harris, a Canadian with many years of experience in the moving industry, primarily in Eastern Europe, the Middle East, and Africa. Andrea Weng, Beijing's office manager, also brings years of experience culled from her previous positions with a number of international hotels, the most recent of which was at the Beijing Kempinski hotel. A recent addition on board is Jason Bedford, another Canadian, who is using his background in public relations and journalism to head up the marketing wing of the Beijing office.

E-mail: china@moveone.info.



The new Symbol PPT8846 wireless hand-held scanner

O'Neil Upgrades to RS-SQL Software

O'Neil Software, which has spent its 20 years in business developing and improving record management software, has again upgraded its highly successful flagship product, RS-SQL.

The Irvine, Calif.-based O'Neil's RS-SQL, Version 2.07 continues to lighten the load on record center staff, reducing the time and effort it takes to access information.

Features of Version 2.07 include:

- The new Symbol® PPT8846, another wireless device added to the range of RSMobile™-enabled hand-helds. This scanner puts powerful, real-time information into the hands of record center staff and offers superior data capture capability affordably.
- A wider range of barcode symbologies, supported by O'Neil's RSMobile, allowing customers to scan and read a greater variety of barcode symbols.
- New reporting capabilities that enable the creation of professional-looking reports in a variety of formats, including graphics, for quick and easy reference and understanding as well as faster processing.
- A major enhancement to the PDT3100 hand-held portable scanner, which gives users the option for instant database updates, eliminating temporary files.

RSMobile licenses are now completely transferable across enabled hand-helds, so if a hand-held is damaged, owners can simply transfer the license to a new one.

Website: www.oneilsoft.com.

Trans-Link Signs MOU with Int'l School

On Feb. 15, **Trans-Link Relocation** added to the services it offers to expatriates by signing a Memorandum of Understanding with KIS International School. Both parties entered this partnership with the aim of providing one-stop relocation services and educational solutions for expatriates and their children moving to Thailand.

Affiliated with Washington International School (WIS), authorized by the International Baccalaureate Organization (IBO), and accredited by the Council of International Schools (CIS), KIS is committed to provide a demanding international education that will challenge students to become responsible and effective world citizens.

KIS International School is an IB world school offering the IB-Primary Years Programme (K1-G5) and secondary school expansion with the IB-Middle Years and Diploma Programmes (G6-G12). These rigorous academic programs of study aim to develop students into inquiring, knowledgeable, and caring young people with intercultural understanding and respect.



Above and at right:
The MOU signing ceremony





Photos represent scenes from the historic Iraq National Assembly elections. HHGFAA member Dahbar International provided essential facilities and services essential to conducting the election.

Dahbar Int'l Assists with Iraqi Elections

Dahbar International Co., headquartered in Damascus, Syria, was honored by a letter of appreciation from the International Organization of Migration (IOM) for their outstanding work during the historic Jan. 30 Iraq Transitional National Assembly Iraq election for Iraqis living abroad. There are about 1,250,000 Iraqis living in Syria.

The company had been chosen, after careful consideration by Iraqi and Syrian authorities, to conduct the Iraq Out-of-Country voting and counting of votes on the Dahbar International premises.

The Letter of Appreciation from the IOM recognized Dahbar for providing important services, such as

- Secure storage space
- Handling of election-essential material
- Improvement of existing security, lighting, and heating of storage premises to fill necessary security requirements
- Catering services for IOM-OCV staff members
- Furniture.

International surveyors and television stations were present during the operation.

For more information, e-mail info@dahbar.com. Website: www.dahbar.com.



Finke



Nash

HHGFAA AMMB News

Doug Finke of **Sterling International** has been approved by a vote of the Associate Members' Management Board (AMMB) to replace Chuck White as the new Associate Members' Representative on the HHGFAA Executive Committee.

Finke's appointment is effective immediately and he will serve out the remainder of the term to which White was elected. That term expires in October 2006. White has since accepted a position as Director of Military and Government Relations at HHGFAA Headquarters.

Mark Nash, President of **EuroAmerica Inc.**, which is part of The Euro Group, will replace Doug Finke as the new regional representative on the AMMB for the Eastern USA/Canada.

Nash served on last year's Associate Members' Nominations Committee and his company regularly serves as a sponsor of HHGFAA Annual Meetings. HHGFAA President Terry Head noted, "I am particularly pleased that Mark's appointment adds a new dimension to our governance structure, wherein he represents that group of services providers (vendors) that are not truly moving and storage or forwarding oriented."

LACMA's New Board

During its recent convention held in the Dominican Republic, the **Latin American and Caribbean International Movers Association's** General Assembly on March 9 elected a new Board of Directors, as follows:

President: Mr. Aldo Heinimann (Intermud, S.A., Guatemala City, Guatemala)

Vice President: Mr. Felice Snider, Jr. (Aviomar, S.A. - Bogotá, Colombia)

Secretary: Mr. Luis Silva (Unipack, S.A., Santiago, Chile)

Treasurer: Mrs. Laura Ganon (Transportes FINK S. A., Rio de Janeiro, Brazil)

Director: Mrs. Andrea Bacigalupi (Servimex SACI, Asunción, Paraguay)

Associate Director: Mr. Klaus Moericke (Transportes Fluiters International, Madrid, Spain)

Immediate Past President: Mr. Mario Albarracin (Uruvan Transportes Ltda., Montevideo, Uruguay)

HONORS AND AWARDS

Arpin International Group, a leader in the international moving industry, received the GlobalNet® People's Choice Award for superior performance at the annual Cendant Mobility GlobalNet® Conference held in Washington, D.C., Oct. 25 and 26. The conference gathered approximately 100 relocation companies from 25 different countries in the Cendant Mobility worldwide service provider network.

This award is presented to the top service provider voted by all Cendant Mobility employees based on their overall experiences with the organization throughout the past year.

Each year, Cendant Mobility recognizes the companies and individuals who have worked to provide outstanding services to its international customers and clients.

"Taking into account the program's tough selection criteria and performance standards, being a part of Cendant Mobility's global network is an honor in and of itself," said Bob Sullivan, Vice-President Commercial, Arpin International Group. "Our company is among the few international movers to be vertically integrated. We have an Arpin International Group representative who oversees the entire process from the moment we make our first introduction call to the customer until their goods have arrived safely to their new destination."

Attendees used the Cendant Mobility GlobalNet® Conference as an opportunity to network with other companies in the relocation industry and participated in seminars to improve their services to Cendant's clients.

IN MEMORIAM

Robert A. Patton

In January of this year, Robert A. Patton, one of the pioneers in the freight forwarding industry, passed away. Mr. Patton, who is best remembered as president of Bekins International, was one of a small group of forwarders that were very prevalent in the military baggage program during the post-Korean War era and during the Vietnam War.

Robert Carrigan, currently president of Worldwide Transport Services in San Clemente, Calif., recalled, “The HHGFAA was represented almost exclusively by freight forwarders at that time, and leaders like Bob worked closely with MTMC to implement suggestions and recommendations that resulted in a better service to the member and are still effective.”

“While being fiercely competitive among themselves,” Carrigan added, “Bob Patton and others formed an alliance to be governed and represented by the HHGFAA’s legal representation in working with MTMC to solve common issues.

He was a leader, an innovator and good friend to many of us. He will be missed.”

Jack Byrne, who worked under Mr. Patton during his two decades leading Bekins, remembers him as “very direct — a tough taskmaster. I learned a lot from him. He was a very good boss, a good manager, very reliable, and he believed in meeting his commitments. He was a pioneer in the movement of military baggage. He earned a lot of respect from his competitors and the military as well.”

IN MEMORIAM

Oscar Alejandro Caniz

Oscar Alejandro Caniz passed away on January 31. Mr. Caniz was the son of Oscar and Maria Eugenia Caniz, of Caniz International Corporation at Guatemala City.

WELCOME NEW MEMBERS



Georgia Angell
President
Dell Forwarding
HHGFAA Chair

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

NEW ASSOCIATE MEMBERS

AGS Frasers Algeria

68, Chemin Fernane Hanafi
Hussein Dey 16040, Algeria
Tel: (213) 21 77 14 63
Fax: (213) 21 77 78 04
E-Mail: agsfrasersalgerie@wanadoo.dz
P.O.C: Herve de Lajudie

Asian Express (China) Ltd.

Room 802, Xin Cheng Bldg;
167 Jiang Nig Road
Shanghai, 200041, China
Tel: (86) 21 6258 2244
Fax: (86) 21 6258 4242
E-Mail: justin@aemovers.com.hk
P.O.C: Justin Malley

Australasian Relocations Pty Ltd

14/167 Prospect Hwy Seven Hills
Sydney, Australian
Tel: (61) 2 9620 6700 • Fax: (61) 2 9620 5300
E-Mail: info@australo.com
P.O.C: Robert Briggs
Sponsors: Planet Move Mangement, New Zealand
Nuss Removals Pty Ltd, Australia

Bongers International Movers

Nudepartk 73 - PO Box 109
6700 AC - Wageningen, The Netherlands
Tel: (31) 317 466 466 • Fax: (31) 317 466 469
E-Mail: proelofsen@bongers.nl
P.O.C: Peter Roelofsen
Sponsors: United Van Lines Intl, MO
World Freight Logistics, The Netherlands

Euromove

Kineskopowa 1
05-500 Piaseczno, Poland
Tel: (48) 22 716 55 66
Fax: (48) 22 716 55 67
E-Mail: moving@euromove.pl
P.O.C: Jolanta Cordes
Sponsors: Comtrans, Poland
Interdean.Interconex, Poland

Expert Logistics GmbH, Moving & Relocation

Friedrich Ebert Str. 11a
D-65824 Schwalbach, (Frankfurt), Germany
Tel: (49) 6196 807 700 • Fax: (49) 6196 807 701
E-Mail: service@expertlogistics.de
P.O.C: Michael S. Bunce
Sponsors: Intermove, CT
Armstrong International, GA

Gosselin Kazakhstan

280 Bogenbay batyr Street, Unit 1
480009 Almaty, Kazakhstan
Tel: (7) 300 711 23 03 • Fax: (7) 3272 58 49 39
E-Mail: centralasia@gosselin.be
P.O.C: Ms. Olga Weissenfeldt
Sponsors: G.E.P., Belguim
Senate Forwarding, Inc., FL

J. J. Mari AG. AD. CA

Calle California EDF. Sucam P.B.
Local 1, Cal Mercede
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E-Mail: jjmari@telcel.net.ve
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Paima, Italy

JVK - Magellan International Movers

35 Kompleks Selayang, Batu 8 II
Jalan IPOH, 68100 Batu Caves
Selangor Darul Ehsan, Malaysia
Tel: (603) 6120 7906 • Fax: (603) 6120 8906
E-Mail: malaysia@jvkasia.com
Website: www.jvkasia.com
P.O.C: Jason Yap

JVK - Magellan International Movers

4F Nichiyo Building, 11-12 Kand-Mitoshiro-Cho
Chiyoda-Ku, Tokyo 101-0053, Japan
Tel: (81) 03 5283 3671
Fax: (81) 03 5283 3672
E-Mail: japan@jvkasia.com
Website: www.jvkasia.com
P.O.C: Kasai Mitsuyoshi

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P.O.C: Glenn A. Hummon
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Rogers Worldwide (Canada) Inc.

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Fax: (613) 244-7833

E-Mail: jsinger@rerogers.com

P.O.C: Jenny Singer

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Sea Horse Interfreight Co. Ltd.

No. 11B, Kyaung Street

Sanchaung Township

Myaynigone, Yangon, Myanmar

Tel: (95) 1 504 860 • Fax: (95) 1 504 860

E-Mail: shi@mptmail.net.mm

P.O.C: Ms. Swe Swe Myint

Sponsors: Zuhar Pack, UAE

Executive Moving Systems, VA

Servico Freight Services

Room No. 1, 2nd Floor, Jason Centre BC-8

Block 9, Clifton, Karachi, Pakistan

Tel: (92) 21 586 1281

Fax: (92) 21 586 3584

E-Mail: shoaib@servicofreight.com

P.O.C: Mr. M.A. Shoaib Khan

Sponsors: Freightworks, UAE

Zuhal Pack, UAE

Swift Movers

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Samalka, New Delhi -110037, India

Tel: (91) 11 2506 1202

Fax: (91) 11 2506 1201

E-Mail: sfmar@vsnl.com

P.O.C: Arvind Sharma

Sponsors: Eagle Relocation Ltd, England

Pella Moving & Storage, NJ

The Household Moving Company Ltd

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Santry, Dublin 7, Ireland

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Fax: (353) 1 842 9214

E-Mail: sales@householdmoving.ie

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2004/2005 HHGFAA Membership Directory	50.00	75.00
Additional Copies of <i>The Portal</i> (1-year subscription)	80.00	96.00
Defense Transportation Regulations Part IV (replaces the PPTMR)	40.00	55.00
HHGFAA Freight Forwarders Tariff #4	15.00	
Rate Solicitation I-15 	45.00	60.00
Global Transportation & Related Business Terminology	45.00	75.00
How Congress Works: A Layman's Guide to Understanding Congress	10.00	
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By Jim Wise
PACE-CAPSTONE



House Panel Approves Bill to Punish Counterfeiting of Goods and Labels

In an effort to combat piracy and counterfeiting operations that cost the United States as much as \$200 billion a year, a House panel approved by voice vote a bill requiring destruction and forfeiture of equipment used to make counterfeit goods. Under current law, counterfeiters are required only to give up the goods produced but not the machinery used to make them. The measure (HR 32) also would prohibit trafficking in counterfeit labels. That provision is a response to a 2000 federal appeals court decision that overturned the conviction of a business operator who supplied counterfeit labels that were later attached to generic products. The full committee is expected to take up the bill (HR 32) sometime after Congress returns from its spring recess on April 4. The measure, sponsored by Joe Knollenberg (R-MI), would require counterfeiters to pay restitution to the owner of a product's trademark and anyone directly harmed by counterfeiting. Counterfeiting costs American businesses hundreds of billions of dollars a year through the overseas sales and reimportation of electronics, DVDs and other such products, according to the US Customs Service. In China piracy and counterfeiting are multibillion-dollar industries.

New Bill Would Change Rules For Duties on Imports from China

A bipartisan group of lawmakers introduced legislation that would strengthen the ability of the United States to combat illegal subsidies by non-market economies, most notably China. A similar bill died last Congress, but with the US trade deficit with China at all-time high and growing each month, sponsors expect more support this year. Roughly one fifth of the \$617 billion trade deficit in 2004 was attributable to the imbalance with China. Under current US law, countervailing duties cannot be applied to imports from state-controlled economies that provide their industries with subsidies. Up to now, federal policy makers have determined that it is difficult or impossible to define a government subsidy in these economies. But Sens. Susan Collins (R-ME) and Evan Bayh (D-IN), along with Reps. Phil English (R-PA), and Artur Davis (D-AL), say the law needs to be updated because China as well as several former communist countries have evolved away from complete government control.

They contend US trade remedies should reflect that China's subsidies violate World Trade Organization rules and hurt US companies and workers. With China now a major manufacturing and trading power, the lawmakers argue that free real estate, energy and raw materials, as well as government loans to Chinese businesses, put US companies at an unfair disadvantage. "The problem is not imports or China's economic liberalization," Collins stressed. She and her colleagues insisted it was simply a matter of treating all trade partners the same way.

The Bush administration has questioned the need for a change in the law, arguing that the tools already exist to challenge subsidies. But the National Association of Manufacturers (NAM), is on record outlining that it is not cost-effective for companies to bring legal cases under current law. According to NAM, the bill introduced would ensure a more effective remedy for foreign subsidies. Lawmakers have said there is growing frustration in Congress and in the business community that China is not being held to account for unfair trade practices. The legislation has the backing of nearly two dozen business and labor groups, and English predicted it has "a good shot" at passage this year. The bill's sponsors said it should not be viewed as anti-trade or protectionist. If anything, they say support for future trade agreements could grow if businesses and lawmakers feel the rules are fair and adequately enforced.

Senators Alarmed over European Plan To Allow Arms Sales to China

Concern is growing on Capitol Hill over the European Union's plan to lift its embargo on arms sales to China, with senior lawmakers warning of congressional action that could fundamentally change US-European relations. In an interview Ted Stevens (R-AK), the powerful chairman of the Senate Appropriations Defense Subcommittee, gave notice that Washington will have to "rethink" its trade, security and other longstanding relationships with Europe if the European Union moves ahead with its plan to lift the 15-year-old embargo. "This is going to be one of the most destabilizing things ever," said Stevens, referring to a European decision to lift the China arms embargo. "It's something Congress is going to have to get involved with." Stevens added: "I do think we're going to have to rethink the concept of a two-way street as far as buying stuff from Europe. I think we're going to have to rethink our total relationship to NATO, our total relationship to the EU."

Europe's intention to lift the embargo, imposed on China after its bloody crackdown on pro-democracy demonstrators in Tiananmen Square in 1989, was a major issue during President Bush's recent visit to Europe. Bush told European leaders that his administration opposes such a move, saying it would upset the balance of power between China and Taiwan and destabilize the region. Beijing considers Taiwan a renegade province of China and has not ruled out taking it by force, especially if Taipei declares its independence.

In addition to Stevens' remarks, the two most senior Republicans on the Armed Services Committee, Chairman John W. Warner (R-VA) and John McCain (R-AZ), also expressed grave concerns about the embargo's impact on US security and global stability. They, too, said Congress should react. But unlike Stevens, they reserved judgment on what it should do.

The sharp reaction represented the first sign that some senior lawmakers with authority over the Pentagon's budget may reconsider fundamental elements of US-Europe relations because of the China arms embargo issue. Defense appropriators and authorizers are important because they have the power to move legislation that could cut off or reduce trade relationships between US defense firms and European companies, curtail European firms' access to Pentagon contracts or stem military-to-military cooperation with NATO, the EU and individual European nations.

"Am I angry about it? Yes," McCain said. "Our concern is it opens the door to further technology transfers. Dual use technology transfer ... has been a huge problem already." Dual use technology refers to equipment or know-how that can be used for civilian and military purposes. Warner called the EU's pending move to lift the China arms embargo "a drop of poison in the well" of Europe's relations with the United States. Those relations already have suffered as a result of the US decision to invade Iraq in 2003. Major European powers, including France and Germany, opposed the invasion.

"Who knows what might come up?" Warner said, when asked what Congress should do. "There could be some very significant moves." Still, Warner and McCain are likely to be among the cooler heads on Capitol Hill as lawmakers weigh options. Both are internationalists and free-trade advocates. In interviews, they said they would first consult the administration and US allies. Warner said that he would hear out an EU delegation that is due to visit Washington later this month before settling on a response. The delegation is expected to discuss a protocol being drafted that would restrict the kinds of weapons and technology that could be sold to China if the embargo is lifted.

"I think we should hold final judgment until we have had an opportunity, in a courteous way, to reflect on those precautions that the European countries will take in the context of lifting this ban," Warner said in a floor speech.

McCain also sounded a note of caution. "I think that we should respond to it in some way, but let's not shoot ourselves in the foot," he said. "Suppose we cut off buying arms from the Europeans, OK? They buy five times as much from us. Is that going to be a productive enterprise? I do think we need to figure out a calculated and appropriate response, and I don't know what that is right now." Another Senate Armed Services member, Jeff Sessions (R-AL) said in an interview: "My personal view is relations can't be the same if they would take this step. There would have to be some consequences, whether actions taken by the president, the executive branch or the Congress. ... You want to ask: Whose side are they on? It's a serious matter."

Senate Majority Whip Mitch McConnell (R-KY), who also chairs the Appropriations Subcommittee on Foreign Operations, said in a floor speech Wednesday that Congress is "not happy" about Europe's proposal.

On Feb. 2, the House adopted a resolution (H Res 57) sponsored by International Relations Chairman Henry J. Hyde (R-IL) that condemns the EU's plan to lift the China arms embargo as a threat to the balance of power between China and Taiwan. Sen. Gordon H. Smith (R-OR) has sponsored a similar resolution (S Res 59).

On March 1, Bush met with a bipartisan group of lawmakers to discuss the matter. After the meeting, Richard G. Lugar (R-IN), chairman of Senate Foreign Relations Committee, told reporters of possible congressional reaction.

"I suspect there would be prohibition on a great number of technical skills and materials or products being available to Europeans," he said. "It could change very much some multinational business plans as things now

stand. ... So that means a lot of difficulty for Europeans, but likewise for some Americans who may be involved in these operations.”

George Allen (R-VA) said European arms sales to China might be offset by the loss of contracts with the United States. “Maybe they’ll get some sales,” he said, “but they’re going to lose some sales and some jobs in dealing with the United States.”

Lawmakers Say Bush Trade Policies Apt to Face Tougher Crowd in 109th

Two members of the House Ways and Means Trade Subcommittee warned at a recent policy forum that Bush administration trade policies are becoming a tougher sell in Congress on a range of issues including Chinese trade practices and aid for displaced workers. Reps. Phil English (R-PA) and Sander M. Levin (D-MI), speaking at a forum sponsored by the Institute for International Economics, said lawmakers’ reluctance on trade is jeopardizing, among other administration priorities, the Central American Free Trade Agreement (CAFTA). Upcoming votes on trade bills, the first as early as April, will measure congressional support for trade liberalization and give the administration a chance to address lawmakers’ concerns.

English said there is a “growing disconnect” between free-trade advocates, who view the climate as favorable to trade, and many voters who think trade policies are leading to job losses.

Though English supported renewal of fast-track trade authority (PL 107-210) and was among the leaders of successful efforts to pass a free-trade agreement with Morocco (PL 108-302), he said he remains “rigidly undecided” on CAFTA.

The fallout from the North American Free Trade Agreement (PL 103-182) is proving to be a major reason for apprehension about CAFTA. Workers’ perceptions that the 10-year-old pact sent jobs overseas are coloring attitudes on CAFTA. “NAFTA’s unpopularity has been neglected by the business community,” English said.

As a result, English predicted fewer GOP votes for CAFTA than there were in 2002 for fast-track trade promotion authority. CAFTA was completed in early 2004, but the White House has delayed sending implementing legislation to Congress for a variety of reasons - not the least of which is a concern that it lacks the votes to pass.

The lawmakers said their colleagues are growing more concerned that China is failing to honor global trade rules. Sens. Charles E. Schumer (D-NY) and Lindsey Graham (R-SC) have introduced a bill (S 295) that would place tariffs of 27.5 percent on Chinese goods if that country continues to undervalue its currency to gain a trade advantage. That bill is unlikely to become law, but bipartisan support could compel the administration to more fully engage China on trade issues and work with Congress on alternative approaches.

English said non-binding resolutions urging the administration to confront the Chinese government on trade won’t be enough. “I think the administration has decisions to make on trade,” he said. “They will have to weigh their opposition to certain proposals against their interest in moving forward.”

Another issue that alarms some lawmakers is the rising US trade deficit — a record \$618 billion, or 5% of US Gross Domestic Product for 2004. Levin said it will not “work itself out in the wash,” as free-market advocates maintain.

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Effective May 1, 2005, HHGFAA will be in its new offices a few miles from its old headquarters. Please make a note of our new address:

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Perspective on China

By James A. "Ace" Lyons, Jr., Admiral, US Navy

Beijing is pursuing its long-term political goals of developing its comprehensive national power and ensuring a favorable "strategic configuration of power." China's efforts to accomplish its security goals involve an integrated strategy that seeks to apply diplomatic, informational, military, and economic instruments of national power. China's leaders believe that national unity and stability are critical if China is to survive and develop as a nation. Chinese leaders also believe they must maintain conditions of state sovereignty and territorial integrity. While seeing opportunity and benefit in interactions with the United States — primarily in terms of trade and technology — Beijing apparently believes that the United States poses a significant long-term challenge.

In support of its overall national security objectives, China has embarked upon a force modernization program intended to diversify its options for use of force against potential targets such as Taiwan, the South China Sea and border defense, and to complicate United States intervention in a Taiwan Strait conflict. Preparing for a potential conflict in the Taiwan Strait is the primary driver for China's military modernization. While it professes a preference for resolving the Taiwan issue peacefully, Beijing is also seeking credible military options. Should China use force against Taiwan, its primary goal likely would be to compel a quick negotiated solution on terms favorable to Beijing.

China is developing advanced information technology and long-range precision strike capabilities, and looking for ways to target and exploit the perceived weaknesses of technologically superior adversaries. In particular, Beijing has greatly expanded its arsenal of increasingly accurate and lethal ballistic missiles and long-range strike aircraft that are ready for immediate application should the PLA be called upon to conduct war before its modernization aspirations are fully realized.

China's force modernization program is heavily reliant upon assistance from Russia and other states of the Former Soviet Union. China hopes to fill short-term gaps in capabilities by significantly expanding its procurement of Russian weapon systems and technical assistance over the next several years. The success of China's force modernization, however, will depend upon its ability to overcome a number of technical, logistical, and training obstacles.

China's grand strategy has been influenced primarily by a combination of the ancient tenets of Chinese statecraft as well as more modern national development theory. While ancient Chinese statecraft and national development theories are dominant, other factors also shape China's grand strategy. China has had a longstanding geopolitical challenge in maintaining control over the heartland of China and major elements of "Inner Asia." It also has sought to secure the vast periphery of coastal and land boundaries, as well as maritime territory in a region populated by traditional rivals and enemies. These challenges shape how China approaches grand strategy, especially its emphasis on maintaining a favorable domestic and international "strategic configuration of power." Moreover, Marxist and Maoist ideology, as well as lessons from the Sino-Japanese war and the Chinese civil war, are prevalent in China's approach to grand strategy. Finally, the Chinese study how other nations approach international security affairs, to include grand strategy, in an effort to enhance their own approach to the issues of strategy, security, and development.

Beijing has sought to describe its long-term political goals of developing CNP and ensuring a favorable strategic configuration of power in positive, passive, cooperative, benign, and peaceful themes. These themes include China's emphasis on "peace and development," the non-use of force in settling international disputes, non-intervention in the internal affairs of other countries, the defensive nature of China's military strategy, its "no-first-use of nuclear weapons" declaration, its support for nuclear-free weapons zones, and claims that China would never deploy its military forces on foreign soil.

These principled themes should not, however, obscure the ambitious nature of China's national development program and the nature of China's approach to the use of force, which is contingent on the actions of others, rather than inherently passive or defensive as Chinese commentators often vigorously assert. In particular, sovereignty issues that Beijing considers internal and defensive in nature — most notably Taiwan — may not be perceived by others as benign and peaceful. In addition, Beijing probably calculates that ambiguity in international discourse helps to buy China time in developing its national power.

The United States will remain central to China's regional priorities. Consequently, China's actions in the region will be shaped by its assessment of US policies, particularly Washington's regional alliance and defense relationships. While seeking a stable relationship with Washington, Beijing will continue to seek opportunities to diminish US regional influence.

Beijing is pursuing its long-term political goals of developing its comprehensive national power and ensuring a favorable "strategic configuration of power." China's efforts to accomplish its security goals involve an integrated strategy that seeks to apply diplomatic, informational, military, and economic instruments of national power. China's leaders believe that national unity and stability are critical if China is to survive and develop as a nation. Chinese leaders also believe they must maintain conditions of state sovereignty and territorial integrity. While seeing opportunity and benefit in interactions with the United States — primarily in terms of trade and technology — Beijing

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Retired Admiral James A. "Ace" Lyons Jr. has 36 years' military experience as an officer in the US Navy. Prior to his retirement, he was Commander-in-Chief, US Pacific Fleet, the largest single military command in the world. He served as the senior US Military Representative to the United Nations and as Deputy Chief of Naval Operations, where he was principal advisor on all Joint Chiefs of Staff matters. He chaired the first Plenary Session of the UN Conference discussing the restructuring of the Chinese civilian economy. He has particular experience in the development of Pacific Rim infrastructure programs emphasizing aviation, communications, commercial shipping, power generation and pharmaceuticals. Admiral Lyons is a graduate of the US Naval Academy, the Naval War College and the National War College.

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September/October Issue September 11, 2005
(ANNUAL MEETING ISSUE)
November/December Issue November 10, 2005
January/February 2005 Issue January 20, 2006
March/April Issue March 15, 2006

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Industry Calendar

April 5–9, 2005

California Moving & Storage Association
Annual Convention
San Diego, CA

April 17–20, 2005

SDDC Europe Workshop
Willingen, Germany

April 25–28, 2005

SDDC-HQ Symposium
Nashville, Tennessee

May 1–5, 2005

FIDI Conference
Cairo, Egypt

May 3–5, 2005

GSA Expo
San Diego, California

May 3–5, 2005

US Bank/PowerTrack Conference
San Diego, California

Sept. 10–14, 2005

NDTA Forum 2005
San Diego, California

Sept. 11–25, 2005

FIATA World Congress
Moscow, Russia

Oct. 20–21, 2005

PAIMA Convention
Washington, DC

Oct. 22–25, 2005

HHGFAA 43rd Annual Meeting
Washington, DC

April 23–27, 2006

FIDI Conference
Beijing, China

Oct. 9–12, 2006

HHGFAA 44th Annual Meeting
San Francisco, California

Oct. 14–17, 2007

HHGFAA 45th Annual Meeting
New York, New York

Coming Up in the Next Issue of The Portal ...



The May/June 2005 issue of THE PORTAL will focus on “The US Government: The #1 Moving Customer”

The site of the 2005 HHGFAA Annual Meeting, Washington, DC, is home to the world's single largest purchaser of moving and storage services: The US Government. This seems a fitting time to devote an issue of **The Portal** to explore the ways HHGFAA members work with government agencies, and what these powerful clients expect in the way of services and performance.

Moreover, the US Government, more than any other governing body, has the widest scope of regulatory and enforcement authority over the moving/removals industry, which thus affects movements both in the United States and in many countries overseas. The May/June issue will include interviews with several of the individuals who manage government move programs, such as the Department of Defense, State, General Services Administration, and/or work for agencies such as Customs and Border Protection, the Transportation Security Administration, Federal Maritime Administration, the Department of Agriculture, and others who dictate and enforce regulatory policy relating to the forwarding and moving industry. Among the topics covered will be the following:

- Interesting and useable data on several Federal agencies that generate considerable relocation business
- The number of moves performed for the US Government annually, the dollars expended, means of selecting a mover, employee entitlements, etc.
- What future plans and changes are being considered in the procurement of moving and relocation services
- How the US military plans to handle moves under the soon to be launched “Families First” Program.

HHGFAA members are invited to submit articles that relate to the US Government as a customer; or, you may want to describe an interesting assignment or move/relocation your company has accomplished recently for a government client. Photos relating to the article you send are also welcome. They may be prints or in digital format (preferably high-resolution .jpg on a CD-ROM — **not e-mailed**). **Send your submission by May 20, 2005**, to

Bel Carrington
Household Goods Forwarders Association of America, Inc.
2320 Mill Road, Suite 102
Alexandria, VA 22314
(Or e-mail your text submission to bel.carrington@hhgfaa.org)

NOTE: All articles are subject to editing for clarity, length, and syntax.

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