



DISPATCH

For customers and employees of Western Overseas Corporation

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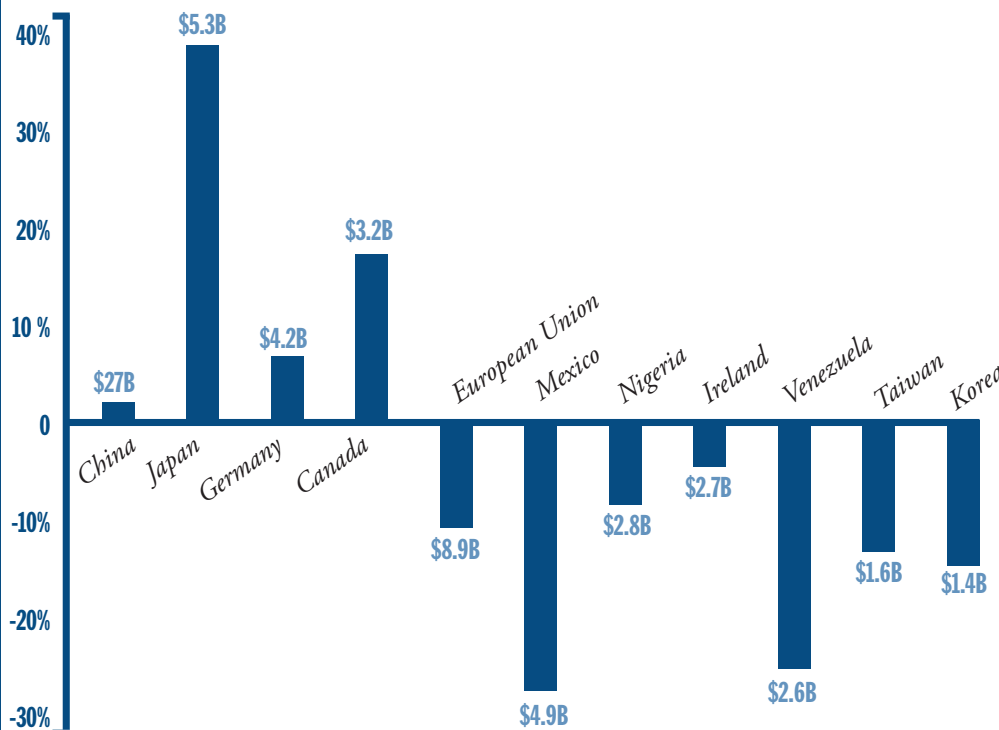
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With July exports up and August volume down, this summer produced lots of interesting numbers in the shipping world. This edition of WOC Dispatch also stars a rare invasive beetle and takes a look back at an inventor who changed the world. Plus, we break down some policy changes you're definitely going to want to know about. Hold on tight as 2011 approaches the dock, and thanks for riding the USS Western Overseas.

Exports on Track to Double by 2015, Trade Deficit Shrinks

AFTER TWO MONTHS OF declines, July exports rose 3.6 percent from June to \$178 billion. "July exports reached record highs and export growth is up 16 percent so far this year, keeping us on track to meet the President's goal of doubling exports by 2015," Acting Commerce Secretary Rebecca Blank said in a statement.

CHANGES IN US TRADE DEFICITS IN AUGUST 2011



Last year, President Obama set a goal of doubling US exports in five years. Over the first seven months of 2011, exports have totaled \$1.2 billion compared to \$1 billion over the same stretch of 2010. In July, the values for goods and services also reached a record high, and exports to South and Central America achieved a record setting \$14.7 billion.

July's export boom drove the overall trade deficit down 13.2 percent since imports remained roughly steady. However, the bilateral trade deficit with China saw a marginal increase of 1.1 percent, and deficits with Japan, Germany and Canada also increased. 🇺🇸

Image: The US trade deficit by country.

Congress Making Progress Toward New FTAs

AFTER RETURNING FROM summer recess, lawmakers have taken up several high-profile trade issues. Among them is a package of bills that would implement free trade agreements with Korea, Colombia and Panama, reinstate tariff preferences for the

developing world and continue a careers program for workers affected by trade.

On December 31, 2010, the Generalized System of Preferences, which decreases or eliminates tariffs from dozens of developing countries expired. On September 7 the House of Representatives voted to reinstate the practice and extend it through July 31, 2013. At press time, the Senate was set to take on the bill and expected to add to it the Trade Adjustment Assistance program, which helps US workers

find new jobs if they are laid off due to free trade. The bill will then return to the House for final approval, at which time the White House will likely submit legislation for FTAs with Korea, Colombia and Panama. The entire process could be completed by mid-October.

By some estimates, these FTAs would increase U.S. exports to Colombia, Korea and Panama by \$13 billion a year, creating upwards of 100,000 domestic manufacturing jobs. 🇺🇸



Image: American dock worker oversees cargo upload.

Volume at Ports of LA and Long Beach Down in August

Despite the fact that container volume at Southern California's ports is up so far this year, they experienced a sharp decline in August.

The Port of Los Angeles reported that volume fell 5.3 percent from that of August 2010 to 723,170 twenty-foot equivalent units (TEUs) as loaded imports slid 5.8 percent to 376,189

TEUs. Long Beach has 267,198 TEUs of loaded imports, representing a 14.2 percent decline.

All of this adds up to an 8 percent drop in overall volume for the region, and for Long Beach, the lowest August numbers since 2004, excluding 2009, in which global numbers contracted. An official statement from the port attributes the drop to importers taking a cautious approach to the upcoming holiday season. 🇺🇸



Image: Port of Los Angeles.

Invasive Beetle Intercepted at Port of LA

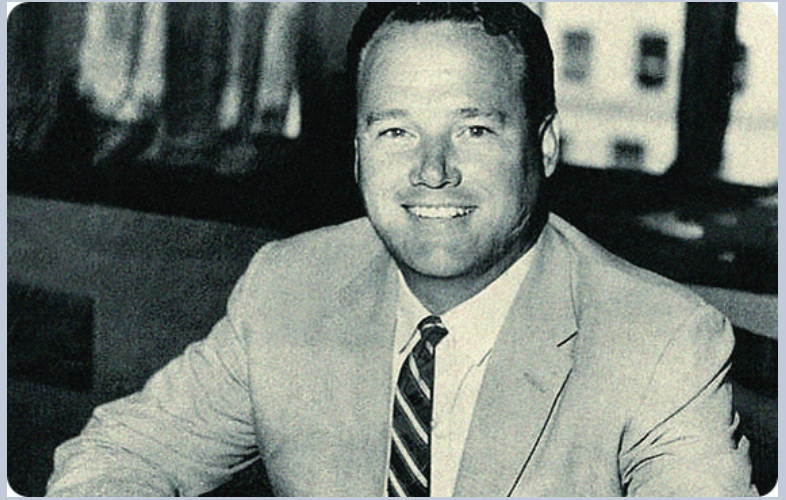
Thanks to US Customs and Border Protection at the Port of Los Angeles, you are probably not familiar with *strongylaspis corticarius* Ancita. This rare, extremely destructive beetle was discovered in a shipment of pineapples arriving from Costa Rica in June and its identity was confirmed by a lab shortly thereafter.

Just one living beetle was found, but plans were immediately made to return the full shipment. The beetle's larvae eat wood, bark, stems, sap and other plant fluids. Were this cousin of the Asian long-horned beetle to gain a footing in the US, it could be a threat to the timber industry, among others.

"The potential for such pests to create both environmental and economic havoc is astonishing," Todd Owen, director of CBP's Los Angeles field office, told the Daily Breeze, which also reported that in 2011, more than 8,500 pests have been intercepted at LAX and the Los Angeles/Long Beach Port complex.

This was *strongylaspis corticarius* Ancita's second visit to the US—the beetle was caught in Miami in 1999. Earlier this year, another dangerous beetle was found in a Costa Rican shipment of fresh-cut flowers in Los Angeles. Four times so far in 2011 the Khapra beetle has been turned away at the port complex. Common in Egypt and India, the Khapra was eradicated in California in the 1960s through a long and expensive campaign. 🏠

Image: Keith Tantlinger in 1958.



Inventor of Modern Shipping Container Dies at 92

It seems so obvious now. In the 1950s, barrels and crates had begun to be replaced by the large shipping container boxes we use today. But they came in different shapes and sizes which made moving them difficult.

While working as an engineer for a company that became Sea-Land, Keith Tantlinger invented the twistlock, a fitting for the corner of containers that made it easier to stack and move them. He also invented a device that makes it easier for a crane operator to accurately place a container on a truck chassis 150 feet below, as well as many other helpful innovations. Outside the shipping industry, Tantlinger's work was not well known, but it revolutionized the world economy.

Tantlinger worked under a man named Malcom McLean. Marc Levinson, author of *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*, told NPR news that McLean "was a visionary. He was the blue sky thinker, and his practice was to say to people, 'This is what I want to do. You figure out how to get it done,' and Tantlinger was one of the guys who got it done."

Levinson also says that Tantlinger convinced McLean to release the patents on his inventions so that they could become a global standard. Container ships began crossing the Atlantic in the 1960s, and by the late '70s, they were universal—shippers could trust that their goods would be effectively received virtually anywhere in the world. Tantlinger continued inventing—"He had a long and, I think, very enjoyable career as an inventor," Levinson told NPR. On August 27, 2011, Keith Tantlinger died at the age of 92. 🏠

Post-Departure Filing To Undergo Revisions

The Census Bureau, which oversees the reporting of exports, announced in January that it planned to eliminate Option 4 filing, a provision that allows shippers to report exports after they have left the US. But after a September meeting, a Census official says post-departure filing will continue, albeit under more stringent criteria.

Dale Kelly, acting chief of Census' Automated Export System branch, told the Bureau of Industry and Security that availability of Option 4 filing will not be based on commodities as had been proposed, but it will be subject to "stronger eligibility requirements" according to a report in WorldTrade/INTERACTIVE.

This restructuring of Option 4 will make post-departure filing available to some exporters that do not currently have this option since new applications for Option 4 have been on hold for several years while concerns from Customs and Border Protection were addressed. Exporters wishing to use post-departure filing will have to submit applications for review by the Census, BIS and CBP, although Kelly did not indicate when the changes are likely to take effect. 🏠

Customs Eliminates Paper Liquidation Notices

If you file your paperwork online, chances are you can live without a paper response. At least, that's the logic behind a decision by US Customs and Border Protection to discontinue paper liquidation notices for entries filed in their Automated Broker Interface. The change takes effect September 30, 2011.

Liquidation notices were sent to importers as a courtesy and not required by law. CBP estimates it will only continue sending about 10 percent of its paper liquidation notices and save \$3.8 million a year.

Since liquidation triggers the deadline to contest any duties and taxes applied to an entry, some importers may worry that without paper notices, they will be reliant on their broker to inform them of liquidation. CBP says brokers are legally obligated to report liquidation information, and that it plans to modify its Automatic Commercial Environment portal so that all importers can monitor their entries either through their own account, or in some cases, their broker's. 🏠



Birthday Wishes!

Please join us in celebrating the birthdays of our hard-working team members from around the country.

Lynn M. Dugan	September 4
Lorraine McClary	September 6
Christofer Helgersen	September 7
Nancy Lee	September 8
Nessie F. Drummer	September 11
Consuelo Torres	September 13
Elizabeth Esparza	September 20
Deirdre Hicks	September 20
Phoung Chan	September 25
Michael Veith	September 26
Xochitl Gonzales	October 2
Traci Swanson	October 3
Richard Hosmer	October 8
Anthony Castroville	October 12
Eleazar Roman	October 23
Jennifer A. Friend	October 27
Diana C. Martinez	October 28
Caylynn Adams	October 29

If You Need Our Assistance...

Please don't hesitate to reach out to your Western Overseas representative for any assistance or questions regarding your next shipment.

To request a quote from our Ocean Export Team please email:

usoutboundoceanquote@westernoverseas.com

To request a quote from our Air Team please email:

wocairquote@westernoverseas.com