

GWERC Industry Update

Name _____ Stephanie Martin _____

Meeting Date ___ June 16, 2010 _____

Update Provided

Real Estate Temp Housing Government Mortgage Corporate **Moving**

You will have no more than 5 minutes to cover these highlights.

Domestic: The busy summer season is here and according to most movers I have spoken to, volume is up a bit from last year at this time which is a good sign. Many movers are saying their month of June is booked already and have cut off accepting any more shipments.

One of the big issues facing the HHG's industry is a driver shortage. Available capacity is down from the past few years due to the economic down turn. The state of the industry (declining number of moves and deeper discounts) and the economy has "driven" a large number of drivers out of the business. They have left the industry for no touch freight or have retired and there is not a lot of new talent entering the industry.

What does this mean for the industry? In the short term it means the industry can't meet the demands of its customers and we're already seeing that this month.

International: There are several international items to note: 1) In January the 10+2 inbound customs form became mandatory. If this form isn't filed with customs 48 hours prior to the container being loaded on a vessel headed to the US, the forwarder will be fined \$5,000 per incident. I haven't heard of any fines, so the high value of the fine must be scaring everyone to get this completed and filed on time.

2) We are also seeing a majority of inbound US shipments, both air and sea, being stopped by customs for inspections. Customs is getting backlogged and as a result air shipments are incurring additional storage charges if they are not released by customs within 48 hours. For inbound US surface shipments, almost all containers are subject to a VACUS inspection, or an X-Ray check. Shipments are being delay approximately 72 hours in customs. Demurrage charges can be incurred if the container is not cleared and delivered prior to the free time expiring.

3) I have also been told there is a steamship container shortage and a stowage room shortage for all European exports of all cargo. They anticipate this will likely continue through the summer. What this means is that containers have to be booked well in advance as steamship lines to most destinations are

over booked and some destinations are already booked well in advance. For any short notice moves, shipments may have to be held at the origin warehouse until a container is made available and the goods can be loaded into the container. This will affect the cost of the shipment due storage at origin as well as the transit time will be lengthened. Our European agents are asking us for 35 days notice prior to the packing of a shipment so they can book a container and reserve a spot on a vessel.

4) For all outbound shipments, all US citizens must apply for an EIN # to be used in place of a social security number. It is an online process and I'm told it is not difficult and is a quick process.

Those are the major issues facing the HHG's moving industry this summer. For both domestic and international moves, please give your carriers 4-6 weeks notice to schedule a move. Please be advised that short notice moves will be more of a challenge than ever.

Update notes must be provided to Joe Poole at least three business days prior to GWERC meeting.

Please check your national professional organizations for information that may be helpful to our members, such as National Association of Realtors, Mortgage Bankers Association, American Moving and Storage Association, Corporate Housing Providers Association, WERC for corporate mobility info, GSA for government.

If you have additional questions, please contact Joe Poole at jpoole@suddath.com.