



The Direct Express

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New U.S. hours of Service Rules will affect the management of transborder freight

Effective January 4, 2004 the U.S. Department of Transportation implemented their new hours of service rules. Canada is expected to follow suit in the near future. The new rules were the result of a joint \$6 million, six year study conducted by the U.S. DOT and Transport Canada. The new rules reduce the "on-duty" time of the driver. In addition, they more clearly define "on-duty" time such that waiting in a customer's yard to be loaded can no longer be considered "off-duty." Effectively, the new rules limit the productivity of a truck to the number of hours a driver has available. In the future we can expect the focus of costing to move away from the traditional rates per mile to more of a time based rating system where loading and unloading time will have to be accounted for and costed into the shipment.



Comparison of Previous and New U.S. Hours of service Rules

	Previous US Rules	New US Rules
Maximum Driving time	10 Hours	11 Hours
Maximum "on-duty"	15 hours	14 hours
Minimum "off-duty"	8 hours	10 hours
Weekly Cycle	60 hours/7 days	60 hours/7 days

Impact on pricing

The new regulations will effect drivers' ability to generate revenue on a cost per mile basis. The Ontario Trucking Association on the issue of cost increases says definitively, "Yes. Any decrease in productivity will need to be offset by the market. The level to which cost will rise will depend on the freight characteristics. Analysis to date indicates that nearly every shipper's cost will increase."

What can shippers do to minimize cost impacts on their shipments

- Loading windows instead of specific appointment times.
- Reduce multiple stop loading/unloading
- Increase accessibility to your dock 24/7
- Ensure BOL's and customs paperwork are ready when driver arrives.
- Minimize driver handling/counting at shipment and delivery.
- Load/Unload promptly.
- Off-hour appointments in high traffic areas.

Other impacts

- Emergency and short lead-time orders will be harder for carriers to respond to.
- Drivers may have to leave your facility for mandatory breaks if their hours of on-duty time are exhausted.
- Drivers may not be able to assist in loading/unloading if their on-duty hours expire.
- Transit times will increase on certain distances. Long wait times on pick up may make it impossible for the driver to arrive at his destination without taking the minimum off duty time.

The bottomline

Shippers will see cost increases on any shipment that uses the drivers' time for any other purpose than for driving. It is likely that "free-time" will be reduced.

Transborder Logistics Experts

Did you know that if you ship hazardous materials to or from the U.S. you are required, by law, to have a security plan in place?

The U.S. D.O.T. enacted a new regulation under 49 C.F.R Part 172 (also known as HM-232) which came into effect on September 25, 2003. At a minimum, the law requires the security plan to include a risk assessment and policy with the following elements:

- 1) Personnel Security
- 2) Unauthorized Access
- 3) En-Route Security.

The law also requires that all employees involved with the shipment of hazardous materials receive security awareness training.

For further information you can go to:
<http://hazmat.dot.gov/68fr-14509.pdf>

For a guide on how to develop a security plan go to:
http://www.fmcsa.dot.gov/safetyprogs/hm/Security_Plan_Guide.pdf

If you're confused with all the new HAZMAT regulations...

Stop worrying!

Leave it to the experts.

Call DSN at 1-800-388-3487

We've safely moved transborder LTL and Truck-Load chemical shipments since 1988.

Questions or Comments?

Any questions or comments regarding this newsletter can be directed to:

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P.A.P.S., P.A.R.S., F.A.S.T., C.S.A., C-T.P.A.T., P.I.P.S.....

What are all these buzz words about?
Should you be worrying about them?

Since 9/11 and the terrible attacks on the World Trade Center border security and customs programs seem to be merging in the minds of shippers into a mostly unnecessary fear of their goods being stuck at the border.

Yes, there are programs and procedures being put into place that you should be aware of. However, there seems to be a mass panic about any new acronym that gets circulated around the transportation industry. In this article I'm hoping to dispel many of these fears and give you a clear understanding of what these programs are all about.

Pre Arrival Processing System(PAPS)

(From Canada to U.S.)

Pre Approved Review System(PARS)

(From the U.S. to Canada)

PARS (Canada) and PAPS (US) have been created to allow the quick release of goods entering and leaving Canada and the United States.

Both programs utilize a Barcode system to expedite the release of cargo while ensuring the integrity of the shipment.

All information regarding the shipment is sent ahead to customs, along with the Barcode information. Once arriving at customs, the driver gives the Customs Officer all paperwork, which includes the PARS/PAPS sticker. When the Customs Officer scans the Barcode, all pertinent information has already been entered into the system that allows the cargo to be brought across either border without delay.

How to use PAPS/PARS: Unless you ship food grade products you don't need to be alarmed. If your carrier wishes to use this program, they will ask you to attach a bar code sticker to your Bill of Lading. Recently, the U.S. Department of Homeland Security has asked that all food grade shipments clear through the PAPS program for tracking purposes. If you ship food grade products, simply ask your carrier to clear it through PAPS.

Free And Secure Trade (FAST)

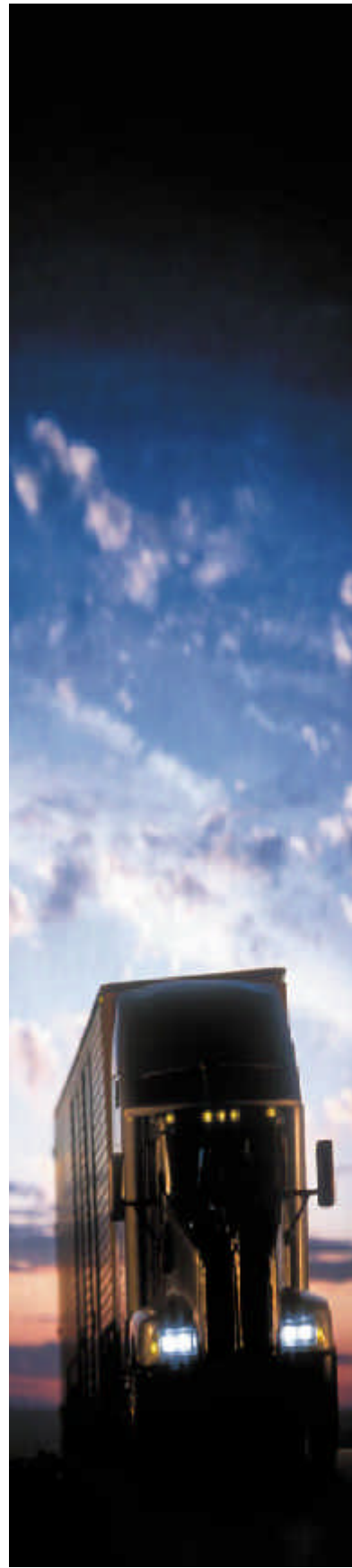
The Free and Secure Trade (FAST) program is a joint Canada-U.S. initiative involving the Canada Customs and Revenue Agency, Citizenship and Immigration Canada, the United States Bureau of Customs and Border Protection (CBP).

FAST supports moving pre-approved eligible goods across the border quickly and verifying trade compliance away from the border.

It is a harmonized commercial process offered to pre-approved importers, carriers, and registered drivers. Shipments for approved companies, transported by approved carriers using registered drivers, will be cleared into either country with greater speed and certainty, and at a reduced cost of compliance.

In Canada, FAST builds on the [Customs Self-Assessment \(CSA\) program](#) and its principles of pre-approval and self-assessment, as well as increased security measures under the [Partners in Protection \(PIP\) program](#).

FAST includes aligning the requirements of Canada's PIP program and the [U.S. Customs Trade Partnership Against Terrorism \(C-TPAT\) program](#). As part of these programs, companies are asked to adopt and implement security procedures to be compatible with guidelines set by both customs agencies.



Comming Soon....

Watch for DSN's Annual Hockey Pool

The NHL Playoff's will be arriving soon. Make sure to contact your Account Manager to ensure you are on our exclusive invitee list. Only active shippers can take part in this fun and rewarding contest, so make sure you continue to ship with DSN. For more information go to:

www.directservice.com

How to use FAST: The IMPORTER, CARRIER, and DRIVER must all be FAST approved in order to take part in this program. If all three parties are not FAST approved then shipments will not clear by this method. If you are the importer, and not FAST approved, then you need not worry about this program, it will not affect you. If you would like to apply for this program you can visit the following website:

FAST:
<http://www.ccradrc.gc.ca/customs/business/importing/fast/menu-e.html>

Customs Self Assessment (CSA)

(From the U.S. to Canada)

The CSA program will give approved importers the benefits of a streamlined accounting and payment process for all imported goods. The new accounting and payment process ends the need for importers to maintain separate and costly customs processes, allowing them to use their own business systems to fully self assess and meet their customs obligations.

The CSA program also gives approved importers, approved carriers, and registered drivers the benefits of a streamlined clearance option for CSA eligible goods. The streamlined clearance process ends the need for transactional transmissions of data related to eligible goods at the time of border crossing. This allows for the clearance of goods based on the identification of the approved importer, approved carrier, and registered driver. Importers simply submit their records to customs at the end of the month.

How to use CSA: The IMPORTER, CARRIER, and DRIVER must all be CSA approved in order to take part in this program. If all three parties are not CSA approved then shipments will not clear by this method. If you are the importer, and not CSA approved, then you need not be alarmed about this program. If you would like to apply for this program you can visit the following website:

CSA:
<http://www.ccradrc.gc.ca/customs/business/importing/carrier/menu-e.html>

Partners In Protection (PIP) (Canada) Trade Partnership Against Terrorism (C-TPAT) (U.S.)

Both of these programs are voluntary and there are no penalties for non-compliance. In addition, the agreement you sign is NOT legally binding. The objective of them is to create security awareness amongst importers and exporters. While both programs claim to offer faster clearance during times of crisis, the reality is that during a security alert, traffic is tied up for miles before the border crossing. Whether you have joined PIP/C-TPAT or not, your shipments will most likely still be stuck in traffic during a crisis.

How to join: Joining is easy. Simply log on to the website, register and fill out a form. The Department of Homeland Security will then review your documents and assign you a risk rating.

PIP : <http://www.ccradrc.gc.ca/customs/business/importing/csa/assessment-e.html>
C - T P A T : http://www.cbp.gov/xp/cgov/import/commercial_enforcement/ctpat/

F.D.A. Requires Advance Notice of Imported Food Shipments.

Under the FDA's new Food and Bioterrorism Regulation, prior notice must be given before the goods clear at the border. A summary of the notice times are listed below:

2 hours before arrival by road
4 hours before arrival by air, rail
8 hours before by water
Notice cannot be earlier than 5 days prior to arrival.

If you ship food products to the U.S. you should contact your customs broker for the specific procedures they have in place to deal with this new regulation. In most cases, they will ask you to clear your goods through the PAPS system.

For further information you can go to:

<http://www.fda.gov/oc/bioterrorism/bioact.html>

Direct Service Network Ltd. Moves!

After years of moving freight for our customers, Direct Service Network Ltd. has moved our office. Please take note of our new address and notify any key personnel in your organization who need to know.

New Address

**4050B Sladeview Crescent,
Suite 200
Mississauga, Ontario
L5L 5Y5**

Phone and Fax numbers remain the same