

## Director's Corner



Alison Leavitt  
Director

Fall has clearly arrived in Maine with cold temperatures and colorful foliage. It is peak season in the shipping business and everyone is busy, but we are busier than ever due to many dysfunctional areas in the logistics and regulatory arena. We have publicized the many changes in the ocean shipping, trucking and rail industries in the last year, with none of these modalities functioning at a "normal" level of efficiency. The new normal is schedule unreliability, errors on bills of lading, shortage of truck power, rail congestion, and increased demurrage charges. Are we at the bottom of the service deterioration slide? I don't

think so. Thus, for us the new normal means constant communication with our carriers, dealing with problems and trying to keep the problems from disrupting your business.

On top of the shipping chaos, we have been communicating to all of our members about the tax reform bill and the impact for beverage importers. We have added staff to assist our members in understanding and analyzing the impact of the tax bill and realizing the refunds that are due under the new law. We can help, and you will see the impact on your bottom line.

WSSA continues to grow globally and contribute globally. We work hand in hand with Albatrans to develop and market new services. In this update, you will see announcements on our expansion in South Africa, new programs from Mexico, and continued upgrades in our global insurance program. We are also very proud to launch a new "green" initiative, putting our support behind companies that endeavor to clean up the world's oceans, and specifically the massive floating garbage mass in the ocean. Albatrans global teams are contributing to this effort and to other local initiatives such as our Albatrans Mexico team banning plastic straws in the office. We hope that you will join us in supporting these initiatives, and we look forward to the positive impact our efforts will create in these sectors.

## Shipping Update and Outlook

All reports continue to point to the demise in service from ocean carriers, from transit time and schedule reliability to basic customer service functions. On a daily basis we are dealing with unreliable booking mechanisms, equipment problems, and schedule changes or skipped ports. Have we reached the bottom? It is difficult to tell as we do not see measures implemented to improve the service structure and the continuation of financial losses limiting the carriers' ability to make improvements. WSSA's solution is to continue our methodology of contracting with the key carriers in every trade lane and capitalizing on our long term relationships to manage a dysfunctional system. We rely on the largest carriers as well as the niche carriers to find the right service for each customer. In the coming months, we will continue to work diligently with our carrier network, and provide the best service possible to our customers.

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## Shipping from Mexico? Make sure to stay up to date on these newest regulations...

Earlier this year the Mexican Transport and Communications Ministry implemented a new transportation rule regulating double articulated trucks (also known as tandems). The new regulation, which went into effect June 27, 2018, requires tandem truck units to acquire and display a sticker proving their authorization to travel as a tandem unit across Mexican Territory.

Many steamship lines are making customers aware of this new regulation by sending out regular communication bulletins and instructions on how to obtain the stickers. If you have questions on this new regulation, feel free to contact us or reach out to your freight forwarder.

### Mexico Announces New Rule for Driver Service Hours

The Mexican transportation authority has published a new regulation regarding the hours of service and rest for drivers within the transportation industry. This new regulation went into effect August 28, 2018, and requires drivers to take a 30-minute break after every 5 hours of driving. Additionally, after 14 hours of service, drivers must take at least an 8-hour break. During every 24-hour period, maximum driving time is not to exceed 14 hours.

Due to these new stipulations, many trucking companies are notifying customers that transit times for most lanes in Mexico will increase. Some lanes may see up to a 10-hour increase depending on the distance of the move. For your truck shipments out of Mexico, please be aware that transit times may increase, and extra time should be built in to your overall supply chain process.

### New Trade Deal Reached for US, Mexico, and Canada!

At the end of September, Canada, Mexico, and the US finally reached a new deal meant to revamp the previous NAFTA agreement. The Trump administration is calling this new deal the US-Mexico-Canada Agreement. In the deal there are some changes to the verbiage surrounding dairy products, dispute resolution between the three countries, limits to tax-free online shopping, and limits on the US threat of auto tariffs.

Officials from the three countries are planning to sign the deal by the end of November, but a formal vote by Congress won't occur until 2019. At that point, it will become apparent whether lawmakers dispute or support the deal. It is still unclear whether the preliminary deal will impact the steel and aluminum tariffs the Trump administration put into place and the retaliatory duties implemented by Canada and Mexico (such as the tax on USA bourbon). Many speculate that the US will lift the tariffs and Canada and Mexico will follow suit, and we will keep you all advised of any new developments.

## New Direct LCL Service Between Mexico, USA and Canada!

Albatrans and WSSA are excited to announce our newest service offering – direct LCL and FCL ocean service between Canada and Mexico!

Move your tequila, beer, and other products more efficiently than ever before! As the only forwarder in the market to offer this bi-weekly service, we are proud to serve our customers by offering door to door competitive rates and safe, secure service. By partnering with MSC, we are able to offer the below transport lanes:

#### East Coast Service

Veracruz/Altamira to NY and Montreal port – direct service with transit time 14 and 16 days.

#### West Coast Service

Manzanillo to Los Angeles and Vancouver port – direct service with transit time 9 days.

Take advantage of this unique, one-of-a-kind service option today! Contact us and speak to one of our specialized logistics professionals about how this service can satisfy your transportation needs.

#### Mexico Contact:

Emmanuel Sanchez +52.33.3123.1260 Ext. 1005

#### USA Contact:

Kara Fiorello +1 (718) 989-6467

#### Canada Contact:

Maja Luciani +1 (416) 923-6060

## **WSSA & Albatrans in South Africa**

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We are pleased to announce the opening of Albatrans South Africa! As of August 2018, Albatrans officially opened their own office in Cape Town. To celebrate the opening and to expand our footprint in South Africa, WSSA's Managing Director, Alison Leavitt, along with Albatrans Global CEO, Giovanni Chiarelli, visited the office and attended the Cape Wine Fair.

WSSA and Albatrans had the opportunity to meet with producers, taste product, and learn how local wineries have embraced the biodiversity of their region. With over 300 wineries showcasing over 5,000 wines, networking opportunities, and educational seminars, this was a unique, memorable event. Thanks to all who welcomed us to their stands, and we look forward to major growth in this market.

## **WSSA London Logistics Event**

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WSSA would like to thank everyone who attended our first ever London Logistics Event in June. We kicked off this event with a private tour of Lloyds of London, viewing historical documents and the Lutine Bell, and followed with an educational and networking gathering. Members, customers, and partners were able to learn more about the challenges facing the global logistics industry, how to mitigate your risk when transporting your cargo, and how the new BREXIT regulations will impact the shipping industry. We were pleased to have attendees from as far away as Chile and as close as central London. The event was a great success and we will be back in London again—with the next session an evaluation of the impact of BREXIT!

## **WSSA at WOTVS Member Luncheon**

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WSSA and Albatrans were pleased to attend the WOTVS inaugural corporate member appreciation luncheon in New York City. We joined with a large group of other corporate members in networking, collaborating, and learning more about the WOTVS strategic roadmap. Attendees were able to learn about the successes and milestones of the WOTVS since its birth along with the new strategic alliances and affiliates WOTVS is proud to have joined forces with. The experience was positive and uplifting, and WSSA is proud to be a supporter of this groundbreaking organization.

## **Cargo Insurance: ZERO Deductible**

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For small shippers, the normal deductibles for insurance can be too high for their needs. That is why WSSA has developed a program with a zero deductible option. Members receive the same great coverage, with options to protect against temperature damage, duty/tax, and domestic shipments, and do not have to worry about meeting a deductible amount should loss occur. If our zero deductible insurance option is something you would like to learn more about, please visit our website or contact us today!



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The Wine and Spirits Shippers Association (WSSA) negotiates shipping contracts on behalf of importers and distributors in the beverage industry. Our dedication to providing efficient and economical transportation by land, sea, or air, enables our members to tap into a marketplace efficiently and affordably.

WSSA was founded by the Wine and Spirits Wholesalers of America (WSWA) and the National Association of Beverage Importers (NABI) in 1976 as a shipping cooperative. Today, WSSA serves as a not-for profit shippers' association that is managed by a board of industry executives. WSSA combines the total volume of its member shipments to achieve preferential rates and service from each of its carriers and vendors. These rates improve the opportunities for our members to compete in the global wine and spirits marketplace.

Together with Albatrans, WSSA provides complete logistics management from door to door. WSSA also provides a comprehensive marine insurance program unmatched by any others in the industry. Our members can quantify the savings with each shipment and our commitment to personal service makes WSSA unique.

For more information on the benefits of a WSSA membership, contact us at [info@wssa.com](mailto:info@wssa.com) or 800-368-3167

## Blue Ocean Initiative Announcement

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WSSA is proud to announce our initiative to support cleaning up the world's oceans! We will be donating to organizations involved in this endeavor such as The Ocean Cleanup which recently launched its first of many booms to be placed around the Great Pacific Garbage Patch in the Pacific Ocean. The boom will act as a coastline and corral plastic and refuse but allow wildlife to swim freely. The company's goal is to eliminate 50% of the garbage in the Great Pacific Garbage Patch within the next five years. WSSA is proud to lend our efforts to this mission and we encourage our members to join the cause.

Visit our website this December for more details on how to help support this cause with us!

## Winter Wine Program 2018-2019

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Cold weather is on its way! If you are interested in finding an economical way to ship your wine through the winter months, let WSSA assist! Protect your cargo from temperature extremes with WSSA's Winter Wine Program. Through our Winter Wine Program, your cargo will be shipped in a standard or insulated container to a warm-weather US port, then loaded into a heated container for transport to your door! Call or email us today for more information or to get started!

***We make shipping affordable, efficient, and possible for all members!***

# Why choose WSSA to help claim tax credits and reduced rates?

- ▶ Knowledge of CBMA implications and impact on your bottom line
- ▶ Staff devoted to researching eligibility and assisting with producer nominations
- ▶ Ability to monitor entries so liquidation date and deadlines for filing PSCs (Post Summary Corrections) or Protests are not missed
- ▶ Model created for analysis of entry data and calculating credits owed per entry
- ▶ Out-source your preparation of forms required for filing including: CBMA worksheet, Control Group declaration and Assignment Certification

## POTENTIAL REFUNDS:

- ▶ The first 12,618 nine liter cases of imported wine = \$30,000
- ▶ Imported beer is eligible for a refund of \$0.01 per 12 oz. can
- ▶ 20,000 pf gallons of imported spirit = refund of \$216,000

## FULL SERVICE ANALYSIS:

- ▶ Review import structure and producer relationships to determine eligibility per producer.
- ▶ Provide template for Producer Reduced Rate/Tax Credit Authorization Assignment and assist with collecting executed letters.
- ▶ Review 2018 volumes by producer or via entry report or copies of CF7501 documents to prepare analysis.
- ▶ Provide details of estimated tax credit due for 2018 entries.
- ▶ Fee structure based on volume and complexity of your business.

CALL US TODAY TO SET  
UP A CONSULTATION!

**1-800-368-3167**

# Craft Beverage Modernization Act

WSSA has been keeping track of the new tax reform bill – the Craft Beverage Modernization Act (CBMA) and we have prepared a complete summary of the impact, guidelines for obtaining the credits and a program to assist our members with the data analysis and processing.

On September 1st, the TTB came out with a new update regarding this rule that outlines how the automated customs system (ACE) will keep track of these shipments.

**The below is an excerpt from the TTB website:**

Under the CBMA, reduced tax rates and/or tax credits are applicable to importations of certain limited quantities of distilled spirits, beer or wine imported from each assigning entity (as described in the CBMA).

On September 1, 2018, CBP plans to deploy in the Automated Commercial Environment (ACE) an entry summary line level flag to identify imported alcohol for which the importer has received a CBMA allocation from the foreign producer/assigning entity.

- ▶ The CBMA flag will utilize the existing 'Product Claim Code' field in the Line Item Header Grouping (40-record) of the Entry Summary submission, and can be submitted using the value 'C' (see the Entry Summary Create/Update CATAIR chapter for additional information).
- ▶ This CBMA flag may be transmitted at time of entry summary filing, or subsequently as a Post Summary Correction. At this time, the entry summary line level flag will indicate merchandise for which a claim will be filed subject to the CBMA.

CBP will issue additional guidance on information to be filed substantiating CBMA claims. Upon issuance of this additional guidance, importers will be encouraged to file the claim information simultaneously with the transmission of the entry summary flag.

CBP strongly encourages the use of the CBMA entry summary line flag over the use of protests for identifying merchandise for which a CBMA allocation has been received from the foreign producer/assigning entity. Protests should only be used for CBMA claims if entries for which a CBMA allocation has been received have liquidated.

If you have any questions or require additional information, please contact [CBMA@cbp.dhs.gov](mailto:CBMA@cbp.dhs.gov).

**WSSA is happy to provide assistance in the analysis of your CBMA credits and best approach to achieve the refunds for the January-August imports, as well as input on this new change!**