

Understanding How International Moving Is Priced In the USA.



Developed by, **Art Haddow**, President and
CEO of Premier Van Lines International AZ.

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The Purpose of this Presentation

1. Provide you a better understanding of the basic pricing methods used for the International Moving Process by movers in the USA.
2. This helps ensure that you have all costs covered when you quote your customer, whether moving to the US or from the US. This helps avoid surprises to your customer when it is time to deliver
3. Help show you important steps to ensure that your client can clear customs without difficulty.
4. Help you understand who is actually doing the services you need done and how to ensure there are no misunderstandings of the terms of service.
5. To help you gain the trust of your customer that you are more knowledgeable than your competitor and therefore help you secure the move.
6. Help you make sure that you choose the right partner in the United States

CBM VERSUS WEIGHT

Understanding the American moving culture, compared to the rest of the world, is the first thing an international mover needs to understand when quoting moves to and from the USA.

The USA moving industry grew up with domestic moves and international military moves where most other countries developed mainly with international moving. This is why there is a huge cultural difference in the way US movers operate. That said, you will see that there are many similarities of how we do business.

The primary difference that movers in the US handle shipments by net weight of “per 100 lbs (or cwt).”, where most of the world use cubic meters. While there are some movers in the US who understand the CBM methods, the vast majority of movers use the “Net Weight” (based on per 100 lbs or cwt.) method to invoice for services needed. You have to understand this because they will invoice based on the final weight, not the estimated weight or cbms.

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Shipments to the USA

In the United States, we have used an average of 7 lbs per cubic foot to estimate our moving. This has been a standard in the US since the 1930's. This mentality is based on the fact that for US Movers domestic moving is 95% of their business and only a few really specialize in international moving. It is like we are simply wired to think this way because we were taught this way since we started in the moving industry. And for most US movers who grew up this way, change is hard for them.

So when you get a rate from an agent, remember this weight factor. I personally use 220-225 lbs. per cbm, although this is not 100% accurate.

You are quoting a shipment to (or from) the USA. You have most of the information you need but how do you choose an agent in the US to handle your shipment. Many of you will go to www.MoversPOE.com (one of the best websites I use) to request rates. When you put in your parameters and origin/destination and you get a list of movers that will handle international in the US city your shipment is located, as the next sample slide shows.

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MOVERS POE

(Note: Yes it is where I am based)

Below is the list of the agents that provide the services you requested in **Phoenix, Arizona, United States**
Please **select up to 4 agents**. Then press **Proceed** to continue.

Mover Name	Location	Stars
<input checked="" type="checkbox"/> Premier Van Lines International, Inc.	Phoenix, Az	★★★★★
<input type="checkbox"/> Navis Pack & Ship	Phoenix, AZ	★
<input type="checkbox"/> Daniel's Moving & Storage	Phoenix, AZ	★
<input type="checkbox"/> Atlantic Relocation Systems	Phoenix, AZ	
<input type="checkbox"/> Beltmann Group	Phoenix, AZ	★
<input type="checkbox"/> Horizon Moving Systems of Arizona, Inc.	Phoenix, AZ	
<input type="checkbox"/> AIR 7 SEAS Transport Logistics Inc.	Phoenix, AZ	★★★★★
<input type="checkbox"/> Professional Movers, Inc.	Phoenix, AZ	★
<input type="checkbox"/> Lepple Moving & Storage	Mesa, AZ	
<input type="checkbox"/> Mobile Mini, Inc.	Tempe, AZ	
<input type="checkbox"/> Aero Moving Systems, Inc.	Flagstaff, AZ	★
<input type="checkbox"/> Alternative Transportation Systems	Aviation, AZ	

Sample MoversPOE Results

- ▶ What you get the results you will see a list of movers that want to assist you in the city. Yes, the one shown is an actual result in Phoenix, AZ and I am the first on the list. I get lots of requests from this listing
- ▶ What it does not show you is if the mover can provide all the services needed. Some will quote the delivery but do not include customs clearance, container drayage, paying fees such as customs exams, or any other services you will need to properly handle the shipment. A few agents have the ability to do these but many do not.
- ▶ Let me now explain what I mean. Below are the segments of an international import move. Once the container arrives, the following services must be completed:
 - ▶ 1. Customs Clearance
 - ▶ 2. Container Drayage from Port/Ramp and return.
 - ▶ 3. Payment of NVOCC charges, customs exam charges, port fees and any surprise cost on behalf of your shipper to avoid delays or demurrage

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Sample Movers POE Results

part II

- ▶ 4. All communications with shipper to arrange and schedule loading/delivery in a timely manner to ensure that there are no mistakes or delays that could add costs to your shipper.
- ▶ 5. Complete all origin services or destination delivery including unpacking of the shipment as requested and removal of all debris and ensure that all is completed to the shippers satisfaction and return copies of paperwork.
- ▶ 6. Assist in any claims investigation and arrange repair services for you.

Many agents that are listed will do origin and destination services, but normally do not provide any other services needed to complete the move and will make you have to have others arrange those services. We recommend that you use a company that will help throughout the process.

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The Process for pricing a Move to and from the United States

When shipping a container to the US the following are potential costs for a FCL shipment or LCL shipment. There are 3 basic procedures that have requirements on every shipment to/from the USA.

Imports to the USA.

1. Customs Clearance, NVOCC fees, port fee payments. Customs Exams
2. Container Drayage from port/rail ramp to residence and return to port/rail ramp or LCL trucking.
3. Destination delivery services.

Exports from the USA

1. Origin Services and export documentation. Customs Exams.
2. Container Drayage from port/rail ramp to residence and return to port/rail ramp or LCL trucking.
3. Ocean Transportation to your destination port (with or without DTHC)

Customs Clearance Procedures for the United States of America

Customs clearance is a fairly simple process, there are some important things that are needed especially to file the Shippers Export Declaration. Below is the list of customs documents needed:

- ▶ 1. US Customs Form 3299 It is recommended that the shipper arrive before the shipment arrives, but not mandatory. If not in the US when shipment arrives, we must have contact phone to contact if there are any questions by US Customs.
- ▶ 2. US Customs Form 3299 Supplemental
- ▶ 3. Customs Power of Attorney for clearing customs.
- ▶ 4. Color copy of Passport.
- ▶ 5. Copy of Inventories in English.
- ▶ 6. Information to complete Import Security Filing which is required prior to sailing of the vessel at the origin port. (This is provided by agent)

Note: Items 3,4, and 6 are required prior to the container loading onto the vessel.

- ▶ Additional forms are required for and auto or alcohol which will be explained later in the presentation.

Import and Export Container Drayage

- ▶ Container drayage is where a container is pulled from the port/rail ramp closest to your shipper's residence or warehouse. There are two methods of drayage service here in the US. In the US, you must have a specific license to pull an ocean container. The US has, as many countries do, have specific companies that do the drayage. Most movers in the US do not have the authority to move a container.
 1. First is called "**Live Load**" This is where the drayage company brings the container to your shipper's address or a warehouse and your agent unload or load the container while the driver waits. Once unloaded or loaded, the container is then taken back to the port or rail ramp. Most drayage companies give you a two hour window to load the container and charge an hourly rate thereafter. The average cost is \$75/hour.
 - ▶ 2. The second method of drayage is called "**Drop and Pick.**" This is where the drayage company brings the container to the agents warehouse or residence and leaves the container. The agent then loads or unloads the container. Once completed, the drayage company returns and picks it up and returns it to the port or rail ramp.

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Import and Export Container Drayage

- ▶ Depending on the location, the drop and pick cost will usually be double the live load cost. Here you have to add the cost of the driver waiting time to the live load cost and see which gives you the better rate.
- ▶ In some locations there are free drop zones which means there is not an extra charge for the drop and pick services.
- ▶ Fuel Surcharges: All drayage companies charge a fuel surcharge on all drayage based on the fuel surcharge rate on the day the service is provided, not the day it is quoted. With the fluctuation of diesel costs final invoice may change.
- ▶ **Surprise costs:** As most movers are aware, Steamship lines eliminated providing chassis in the US (and most of the world) and in the US are now controlled mostly by chassis pools and we are now charged a daily rate for the chassis, but there can be additional charges depending on what has happened. If the drayage company has to get a chassis at one location and the container at another this is called a “Flip Charge”. This can happen on the pickup and/or the return of the container. Then there could be port delay charges where the drayage driver has to wait more than 1 hour, there is an hour charge for this. This can happen at either both the pickup and return of the container to the port.

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Origin and Destination Services

Some Basic Differences

This is the most important difference between movers in the US and the rest of the world. In the US, origin and destination services are normally done based on the NET WEIGHT (pounds) of the shipment. As we discussed earlier, US movers have never used the cubic meter method of quoting. This is probably the most misunderstood issue when getting an estimate and the final weight. This is where you need to make sure that potential extra charges are understood so you quote correct costs to your shipper.

Some other differences:

- US movers normally do not include any flights of stairs outside the residence. When we say 1st floor, this means ground floor.
- Most US movers will not uncrate items anymore due to liability. We have to find a third party (an expensive option) to handle
- Some do not handle grand pianos, autos or vehicles although most do.
- Most movers in the US do not offer guaranteed pricing on international moves.

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Origin and Destination Services

Some Basic Differences

- ▶ Movers in the US normally do not provide a separate pricing for shipments that have no packing or unpacking requirements. This has simply been the standard for all the years I have been doing international shipments. This has been ingrained into the industry since the beginning. Of course it does not hurt to ask for a discount for a service that is not really being provided.
- ▶ Most movers in the US do not provide crating services, plumbing connections, electrical connections or similar unusual services. These are now sub-contracted to third party service companies. These charges can be fairly expensive.

I think the point of this discussion is make sure that you and your agent in the US agree on what actual services are included or not included. Do not assume that just because you have a piano or crate in the shipment that the quote provided is included when you did not let the agent know in advance.

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Import and Export Services

Who is Who?

- ▶ In the US to quote export ocean rates you are required to have a license from the Federal Maritime Commission (FMC). As such there are two types of licenses the FMC provides. First is called an NVOCC or Non Vessel Ocean Common Carrier. This is a company such as Premier, where we can quote ocean transportation that includes our profit margin.
- ▶ The next license is a Freight Forwarders license. This is where a company can handle international moves but are not allowed to mark up the ocean freight and must add any profit as a separate cost and cannot be included in the ocean transportation to the shipper. They normally arrange the various services needed by a customer and charge a fee for their services.
- ▶ These licenses are mandatory to arrange ocean transportation from the USA. When shipping a container to the USA it is not required to do destination services only.

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Import and Export Services

Who is Who?

- ▶ Next are the US National Carriers such as United Van Lines, Allied Van Lines, National Van Lines, Mayflower Transit and many others. Most local movers in the United States are agents for one of these top 10 carriers. Although they are mainly domestic movers many of these carriers have international departments.
- ▶ Local Agents. These are the actual movers that do the work on your shipment. As such they can only provide origin and destination services but normally do not provide customs clearance and any inspection charges or issues, container drayage, ocean transportation.
- ▶ This is the most important thing you need to know. We at Premier Van Lines International AZ use only agents that are experienced in international moving. Most carriers such as United, Allied, Mayflower, National Van Lines, Wheaton and others simply use their agents as a first choice although they can use other agents if they wish.

Auto / Vehicle Shipping

- ▶ Vehicle shipping is an important issue to many shippers. The key is the rules of each country and what is needed to both export and import an auto. In the United States we have specific rules when importing and exporting vehicles. The follow will help you understand what is needed before moving a vehicle to and from the US.
- ▶ The US only requirement on a used personally owned vehicle is simple. It must conform to US DOT and EPA standards. If the vehicle does not meet US standards then it must be shipped separate from the household goods and be handled by a “Registered Importer” who handle non conforming vehicles.
- ▶ Please note that the cost for non conforming vehicles is extremely costly and most likely will not be allowed into the US. I do not know of a Registered Importer that will handle a single non conforming vehicle.
- ▶ There are temporary importations for shippers but there is a maximum amount of time that they are allowed to have the vehicle in the US before requiring the vehicle to be exported back to the origin.

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USA Auto Export Rules

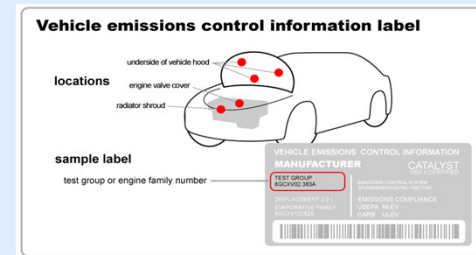
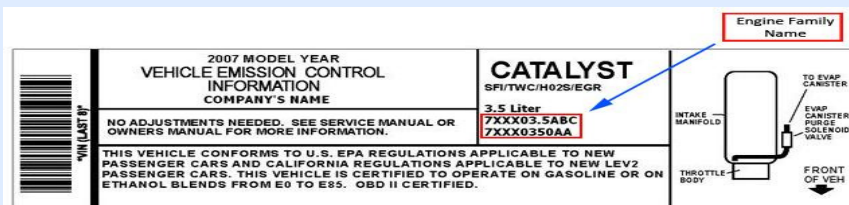
- ▶ U.S. Customs has specific requirements that must be met prior to a vehicle being exported. If the shipper owns the vehicle without a lien on it Customs requires that the original title along with other documents be presented to the Customs office at least 72 hours prior to the container or vehicle being loaded on the vessel, not including the day of loading or when the container is received by the port of export. Basically this means that the container needs to be at the loading port at least 5 days prior to loading. This makes it important on choosing the loading date to ensure that there is enough time for properly provide the export documents to Customs.
- ▶ If there is a lien on the vehicle you will need an original letter from the lender that is signed and notarized by the lender that permits the vehicle to be exported to the country it is being shipped to. Customs will also require a certified copy of the title front and back. Some export ports will require power of attorneys to allow us to present docs to customs. Each port has different requirements on how export documents are presented for title validation by Customs. Also, there is another issue involved with this called “Electronic Titles.”

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USA Auto Import Rules

- ▶ Importing a vehicle into the US can be a simple process. There are additional customs requirements and fees associated with that. The first thing needed prior to loading a vehicle into the container is to take a photo of the US EPA engine family label. This label is normally under the hood of an automobile as shown here of and on the frame for others.



- ▶ The following forms will be needed to clear customs in addition to the normal customs forms.
 - ▶ 1: EPA form 3520
 - ▶ 2: DOT form HS7
- ▶ This is mandatory. If loaded without this photo it will result in large costs in the US, including inspections, demurrage and any costs involved in verifying the DOT and EPA label requirements.

DO NOT LOAD WITHOUT 3520 or HS7 LABEL

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Less than Container Load Trucking

- **“Less than Container”** (LCL) shipments to the US have the same basic idea as FCL once the shipment gets to the US consolidator warehouse for imports, or the initial port/inland CFS for exports.
- Either way, the shipment will need to be trucked by a LTL (Less than Truckload) carrier to the consolidation warehouse or delivery agent after clearing customs, which is done once the shipment arrives into the US or to the consolidator for export.
- The preferred method for LCL shipments to the US is for the shipment be loaded on skids or in liftvans. Trucking from the port to the DA is done by the gross weight of the pallet or liftvans with a minimum of 500 lbs. The trucking is done by freight carriers. Loose loading is not a good method unless the consolidator you are using has full service for this type of shipment.
- Delivery is done by the net weight (per 100 lbs) of the shipment once received by the destination agent. Note, many may have a minimum delivery rate. There is also a 12 foot length limit on LCL shipments.
- It is important to make sure your liftvans are securely banded and pallets are wrapped and properly banded to their skids.



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Ocean Transport

- **Ocean Transport:** This is the cost provided to you by the forwarder to take the container from the rail ramp or port to the destination port of the country you are shipping to or consolidation point for LCL shipments.
- Ocean Rates for a Full Container Load/FCL shipment are usually priced on a flat rate no matter how much weight is in the container. Each Forwarder will determine your ocean rate based on their costs and profit margins.
- Ocean Rates for Less Than Container Load/LCL are based on cubic meters. For exports from the US there are two types of LCL consolidators.
 - 1: Neutral NVOCC
 - 2: Household Goods Consolidator

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LCL Ocean Transport

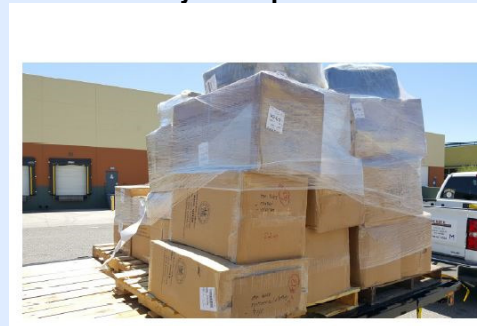
- First is the neutral NVOCC such as Shipco, Vanguard, Schumacher and several others. These companies simply co-load various shipments of different commodities. Although their ocean rates may be cheap, destination costs such as THC, CFS handling and NVOCC fees can be quite expensive.
- Second, we have several household goods consolidators but this service is primarily directed to Europe and Australia. There are some Korean household goods consolidation companies but they are limited. I am not aware of any other countries that we in the US have consolidation services to.
- ▶ The good thing about the HHG consolidators is they provide a very competitive price versus the standard consolidator but you have to use their agents.

LCL Ocean Transport

- ▶ Two important notes: First, LCL shipments need to be in liftvans or skids. Second, make sure you know all the hidden charges that can happen with LCL shipment. Shipping loose load as groupage is not a normal method used here in the US due to the distances between Cities.



Not the way to ship LCL.



- ▶ **Tip: Once you hit about 2500 lbs. to 3000 lbs. it may be less expensive to ship the goods by themselves in a 20 ft. container.**

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Ocean Transport

▶ Two important terms:

- ▶ **Demurrage** – This is when a container arrives at a port and the Steamship line allows a specific number of days to get the container removed from the port. The normal average is 4 to 5 days. If the container is not removed by the last “Free Day” the steamship line charges a daily fee. It can range between \$100 to \$200 per day depending on the line.
- ▶ **Detention** – Once a container is pulled from the port the steamship allows a specific number of days to get the container loaded or unloaded and returned to the port/rail ramp. Depending on the steamship line the average number of days is 5 to 7 days. If the container is not returned in the required number of days the line again charges a daily fee. The average again is \$100 to \$200 per day.

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Custom Exams

- ▶ Customs exams can happen in most any country that household goods are shipped to. Here in the US, the Customs and Border Patrol has instituted an aggressive inspection program of both import and export household goods containers. This is important because if a shipment you have booked is tagged for inspection your customer is required to pay for this inspection.
- ▶ There are two types of inspections that could happen. First is called a VACIS exam which is where the container is x-rayed. If the customs examiner feels there needs to be further examination they may request a CET exam in which the container is pulled to an exam warehouse and the container is unloaded to be checked by the Customs officer.
- ▶ The cost for these types of exams vary in each port depending on the contract in place with the customs office but the average for a VACIS is \$300 to \$500 and the CET exam can range from \$1500 to over \$2000.
- ▶ For LCL the inspection costs are shared by all those in the containers but each NVOCC charges by different methods.

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Sample Rating by Premier

The following is an example of an actual quote we did for our agent in Germany showing services required and the costs to export the shipment from Portland, Oregon USA to the port of Bremerhaven, Germany. (8000 lbs or 36 cbm)

Origin Services @ \$38 cwt:	\$3040 (name of agent here)
Origin Shuttle @ \$7 cwt:	\$ 560
Auto Block and Brace:	\$ 300 (shipper drops car to dock)
Export Auto Title Validation:	\$ 200 (DSV Air & Sea Customs)
Drayage to Port Seattle:	\$1210 (PDX Container Services)
Ocean Transport to Bremerhaven:	\$2296 (MSC)
<u>Destination THC</u>	<u>\$ 350</u>
TOTAL:	\$7956

As you can see, with this breakdown of charges you can explain the charges to your customer so when your quote is higher you can show them all the various costs which make you look more professional and informed. Pricing as of 2022 has increased dramatically.

Sample Rating by Premier

The following is an example of an shipment we did for an agent in showing services required and the costs to import the shipment to Los Angeles, California. The ocean and THC was paid to the port in Los Angeles. 40 Ft HC container with 11,000 lbs + 1 Auto.

Los Angeles Pier Pass Fee:	\$ 145
Clear Customs HHG's and Auto:	\$ 275 (Includes filing ISF)
NVOCC Doc Fee:	\$ 75
Container Drayage	\$ 550
Auto handling:	\$ 400 (shipper picks up car at dock)
Delivery to Residence:	\$ 2420 (\$22 per net 100 lbs)
Grand Piano Handling:	\$ 400
3 rd Party Uncrating:	\$ 750
<u>Premier Handling</u>	<u>\$ 300</u>
TOTAL:	\$ 5315

As you can see, with this breakdown of charges you I show the various vendors and what I pay them. On imports I only make my handling charge. For that I handle all paperwork, payment to each vendor to ensure that all is handled per your instructions. Each forwarder rates their own way but the costs here are the same paid by anyone handling your shipment. Rates as of 2022 are increasing dramatically.

Some Important Questions

- ▶ **1. Can the shipper load their own container and/or pack their own boxes?**
- ▶ Answer: Technically you can sell a service where a shipper can pack and load their container themselves in the US. The main issue with this is that a proper inventory is completed. Most individuals do not do a proper inventory and end up with customs issues on the piece count on the bill of lading. We can provide rates for shipper load and pack, shipper owned container and self unload container.
- ▶ As for packing their own boxes, this is permitted in the US. The important thing is that the shipper provide accurate contents of the carton, but again, the issue is if there are prohibited items found in the shipment there could be severe penalties for the shipper.
- ▶ Most countries do not require the term CP or PBO, just the contents of the packed box. Some forwarders will not accept PBO cartons or self loaded containers due to the issues raised above.

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Some important Questions

- ▶ 2. Are getting accurate weights important?
- ▶ A: Yes. In fact it is more critical that you have accurate weights. Effective July 1, 2016 a new regulation called SOLAS or Safety of Life at Sea came into effect which requires container to be within a certain percentage of the weight on the bill of lading. If inaccurate weights are found a substantial fine could be assessed against the forwarder. Agents who give incorrect weights could be subject to a chargeback by the forwarder.
- ▶ Accurate weights are necessary to properly pay the various service providers based on the actual net weight of the shipment. This includes the gross weight of LCL shipments as trucking is done by the gross weight of the shipment including pallets or liftvans.

Some important Questions

- ▶ **3. Can I book a container for any day I want?**
- ▶ This is one of the most important question that can affect your move. On most situations the answer is yes.
- ▶ The important issue is how long you want the container and when can the container be returned to the port or rail ramp. Ports have what are called an “ERD” Earliest Return Date. This is the earliest time the container can be returned.
- ▶ This could affect your costs dramatically, especially if the load date does not match the steamship lines schedules and dates. Check with your forwarder for more specific information.

Questions

- ▶ We know you may have many questions about how to make sure that when you get a quote from a company in the US, you want to make sure you have all the information. Feel free to email me and I will be happy to try to answer any questions you may have or provide any ideas that will help you secure that move to the USA or one from the USA.
- ▶ If you would like to contact us for any international rates feel free to contact us at +1 480-267-0178 Cell phone, between the hours of 7 AM to 7 PM US-Arizona time zone.

As I always say,

- ▶ **“Having the Right Information Makes for an Informed Decision.”**
- ▶ **Art Haddow**
- ▶ **Premier Van Lines International AZ, Inc.**
- ▶ **Email: art@premiervanlines.net**

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