

ICEFAT NEWS

NEWSLETTER FROM ICEFAT NO 1 – 2005 HIGHEST STANDARDS IN FINE ART SHIPPING

FAST LANE FOR SECURE CARGO



CARGO ARRIVES AT A SEAPORT BY TRUCK TO BE LOADED ONTO OUTBOUND SHIPS.

After the September 11, 2001, US Customs added a new top priority to its ongoing mission of trade movement and compliance: security and safety of ports of entry and the movement of goods and people into and out of the United States.

Shortly thereafter, the joint government-business initiative, the Customs-Trade Partnership Against Terrorism (C-TPAT), was formed to strengthen overall supply chain and border security.

C-TPAT recognizes that the highest level of security will only come via close cooperation with the ultimate owners of the global supply chain: importers, carriers, brokers, warehouse operators, museums, and manufacturers. In the world of



A TEAM OF CBP OFFICERS BOARD A SHIP TO CHECK CARGO.

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START YOUR ENGINES AT AAM



With 2005 speeding into full motion many of our members are thinking of Indianapolis, Indiana - home of the INDY 500 auto race. This year Indianapolis will also be host to the American Association of Museums Annual Convention.

Over 60 ICEFAT members will be in attendance and eager to network with colleagues and clients. Once again, ICEFAT will host an information booth at the MuseumExpo (Booth 1327) in the Indiana Convention Center. I hope all our readers at this year's convention will stop by and say HELLO. For ICEFAT members arriving on Sunday May 1st, you are reminded that there will be a private reception for members only – at the Marriott Downtown between 2–4 pm.

I hope you once again find this issue of the ICEFAT NEWS informative and enjoyable. ICEFAT continues to bring useful topics forward with every issue. This month we touch on the issue of liability and bills of lading. I am certain we will have follow up articles on this very important topic. We encourage all readers to submit their thoughts, ideas and suggestions for articles or topics that we might cover.

Until INDY, all the best,

Mark Stirling,

Steering Committee – Chairman

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art logistics C-TPAT has evolved to a "must have" or "need to participate" program.

According to the ICE-FAT member Mike Andrel

of Barthco International, a member of C-TPAT, if a business, museum or institute take steps to secure their cargo against terrorism, the Customs will give them the 'fast lane' through the border, he says.

BENEFITS FOR MEMBERS

In recent years US Customs has signaled it is serious about the "partnership" aspect of this program by working in a cooperative spirit with the trade to secure the global supply chain.

Besides ensuring a more secure global supply chain, Customs offers potential benefits to C-TPAT members. Some additional benefits cited by Mike Andrel include:

- a reduced number of inspections, which results in reduced border crossing times
- an assigned national account manager to assist the company in dealing with Customs
- eligibility for account-based processes such as bimonthly/monthly payments of duties, MPFs, etc.
- an emphasis on self-policing, rather than time consuming Customs verifications
- the opportunity to apply for the Importer Self-Assessment Program, which avoids time-consuming and expensive Customs audits and focused assessment programs.

As C-TPAT continues to grow among those companies involved with imports into the U.S., it is obvious that global supply chains will be only as strong as their weakest link.

- Today, the weakest link is a company that is not a C-TPAT participant" Mike Andrel concludes.

For more information on C-TPAT participant, please contact Mike Andrel with Barthco International + 1(610) 461-3205.

NEW STANDARDS FOR WOOD PACKAGING



With effect from 1 March 2005 consignments entering the European Union will need to comply with the International Standard for Phytosanitary Measures No. 15 (ISPM15) which sets out the guidelines for regulating wood packaging material used in international trade.

This standard is relevant to wood packaging material in packing cases, crates, drums, pallets, load boards, pallet collars and dunnage.

This standard is aimed at reducing the risk of introduction and/or spread of quarantine pests associated with wood packaging. The Forestry Commission aims to inspect approximately 2 percent of consignments/containers entering the UK. Material for inspection will be identified from Customs declarations, manifests and bills of lading. Where residual levels of fumigant in containers are found to be above prescribed safety levels, the importer will be required to have the container vented and certified free of gas before inspection can proceed. All costs associated with this, or any other work that is necessary to enable inspection to take place, will be at the importers expense.

ACTIONS AVAILABLE

The following actions are available to the Forestry Commission under European Community Legislation: Treatment to eliminate all pests of concern or Destruction.



In serious cases where live infestation is detected and there is a high risk of accidental escape, re-export out of the EU may be ordered.

It is therefore obviously of benefit and importance for the cost effective and timely shipment of your goods, to ensure that this International standard is met and that all relevant material bears the ISPM15 stamp.

Martin Speed

EUROPEAN REGISTRARS IN GERMANY

On November 15 and 16, 2004, Museum Registrars and art logistics companies from around the world gathered for the Fourth European Registrars Conference in Wolfsburg, Germany. Delegates included 24 ICEFAT Members, taking the opportunity to meet with their clients.

Interesting panel discussions were held on Government Indemnity; the Opportunities and Challenges of the Expanding European Union; and Reducing exhibition costs without reducing quality.

The last day covered topics including

working with unconventional materials; challenges and comforts when handling contemporary photographs; and moving and installation of problem objects.

On the evening of November 15, ICE-FAT hosted a much appreciated and very enjoyable reception for all 400 conference delegates at the wonderful Kunstmuseum.

It was announced that the Fifth European Registrars Conference would be held in Madrid in 2006.

Marianne Honders

STRICT QUARANTINE CONTROLS IN AUSTRALIA

Australia has remained untouched by many pests and diseases which trouble the rest of the world and so we maintain strict Quarantine controls on all passengers and goods entering the country.

There seems to be a misconception that all shipments entering the country by seafreight must be fumigated, either before they leave their country of origin or on arrival in Australia. If you are able to provide correct treatment certificates (heat treatment or fumigation) then the Australian Quarantine Inspection Service, AQIS, will rarely require the shipment to be inspected but there is another system in place if these certificates are not available.

Given that we are dealing with artworks which in most instances are going to Museums who are well-known and respected by Australian Quarantine Inspection Service (AQIS) there is really no cause for concern provided the crates and dunnage are in good shape and the paperwork is in order.



THIS IS HOW IT WORKS:

- All crates, wood packaging materials and dunnage must be free from bark and with no visible infestation – timber should have been heat treated.
- The export shipping agent must provide a Packing Declaration
- Prior to release from the port the container will undergo a Tailgate inspection – an AQIS officer opens the doors of the

container – checking that all new timber had been used and no bugs flying about. The container is then closed and re-sealed with AQIS seals.

- Provided the Ultimate Consignee is an AQIS approved premises, an AQIS Direction will have been obtained nominating the Ultimate Consignee premises as the inspection point.
- After delivery to the Ultimate Consignee an AQIS officer will inspect the crates and their contents.
- Should there be any evidence of infestation AQIS will then direct that the crates (not the artworks) be sent for fumigation.

In rare instances where the artwork does require treatment it will be done in consultation with AQIS to ensure the artwork itself is not compromised.

This information is for general understanding only – always consult your local agent for accurate advice on individual shipments.

Kim Powell

Note: Dunnage is wood packaging materials used to secure or support crates inside the container.

CUSTOMS IN CHINA

We take a look at customs formalities for exhibitions in an important emerging market: China.

All exhibitions traveling into or out of China require an Exhibition Permit (EP). This Permit must be applied for by a registered Chinese Corporation / Exhibition Organizer (CORP). An art agent cannot make this application – it must be provided by the CORP. The EP must be obtained prior to shipment.

On import the EP must be presented to Customs along with normal customs documents.

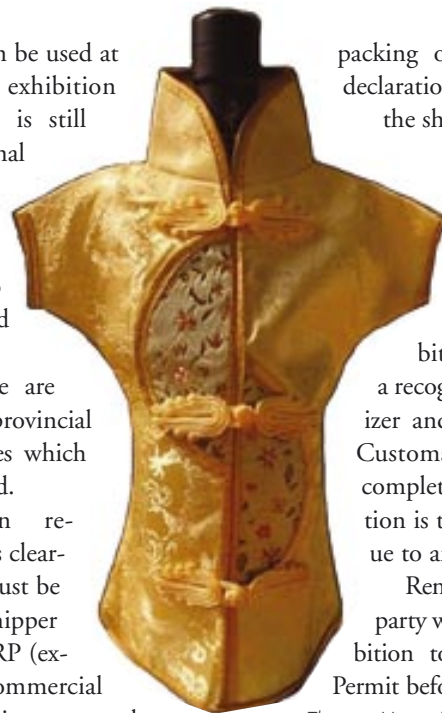
When an exhibition is re-exported the CORP will apply to Customs for the refund of any deposit or return of any Letter of Guarantee that has been lodged.

All goods must be re-exported and customs will check that the quantity/volume/weight on the export are the same as for the import. It is also important to ensure that re-export is completed within the valid period of the EP.

ATA Carnet can be used at the airport for exhibition shipments but it is still subject to Regional Customs authority. An EP must still be provided by the CORP to allow import and re-export.

In China there are both central and provincial customs formalities which must be considered.

Documentation required for customs clearance and which must be provided by the shipper (import) and CORP (export) includes commercial invoice, packing list, no-wood



packing or non-coniferous wood declaration by the consignor (not the shipping agent), heat treatment certificate, contract / agreement for the transaction (exhibition contract) and Exhibition Permit.

For traveling exhibitions each venue must be a recognized Exhibition Organizer and must have a valid EP. Customs formalities must be completed each time the exhibition is transferred from one venue to another.

Remember it is up to the party who is organizing the exhibition to obtain the Exhibition Permit before the shipment is made.

Thomas Yuen, Michelle International

STATE YOUR LIMITS OF LIABILITY

It is important to understand the reasons the "Limits of Liability" wording on bills-of-lading should be prominently displayed for clients to easily read and understand – and the potential consequences if the wording is unclear. This is a very important issue for all of our members and clients to clearly understand.

It is as prudent for ICEFAT members to review the insurance limits and protective language contained in their shipping documents as it is for our clients to understand what these limits mean to them as consumers.

An Airway Bill, or trucking bill-of-lading, becomes a legally binding contract between your client, your company and the consignee – the moment your employee signs it. When an ICEFAT company picks up a work of art, or an exhibition from a client, it becomes responsible for the custody of those art-

works under the terms of its bill-of-lading contract – until the consignee signs for the safe delivery.

VALUE OF SHIPPING

For this reason it is very important to specifically state your limits of liability in a prominent location on the BOL. An example of the language that could be used:

"Unless the customer specifically requests insurance coverage and states the value of the shipment, the agreed or declared value of this property is stated by the owner to not exceed 60 cents per pound per object during transportation." (Have your attorney write limits of liability language in accordance with the prevailing laws of your country).

If your client chooses to state the value of the shipment and wants it in writing on the shipping documents, you will then become fully responsible for that value. However, you also have the option of charging your client a premium to cover the costs of the insurance coverage.

SPECIFIC VALUE LIMIT

Even when the client refuses insurance coverage, and does not declare a value, you could still be held responsible for any losses -- unless you have clearly stated otherwise in writing. Be aware however that simply declaring that your company will not be responsible for any damage or losses may still not be enough to prevent legal trouble.

What you should do is state a specific value limit (ie. 60 cents per pound) on your BOL. As soon as your client signs your shipping documents he has agreed to that value limit in the eyes of the law.

Alternatively the client can purchase insurance coverage from you – both being choices that will protect your company. Having your limits of liability clearly stated on your documents will prevent your company from suffering expensive litigation in the event any artworks are lost or damaged. It also will protect the ICEFAT agents you use to handle customs and delivery to your consignees.

Bryan Cooke

NEW MEMBERS

USA

TCI is a broker in the fine art and antique shipping business.



The offices are in New Jersey, Florida and South Carolina. Through affiliations TCI have the ability to Clear U.S. Customs in any Customs port in the United States. They offer the following services throughout the United States as well as around the world: Packing and crating, Climate controlled art shuttle service, Climate and non-climate van line service, Ocean Freight, Installation, Climate and non-climate storage, Insurance and finally Rigging Services.

ITALY

Piccin Trasporti D'arte has been in the business of Fine Art handling services since the mid 1980s. It is still run by one of the people who started the company – Chairman Renato Da Re.



Piccin has offices in Milan, Venice and Rome, from where they are able to cover shipments to and from any part of Italy. They provide services to most important Italian Museums, Public Bodies, Galleries, Auction Houses and Private Owners.

Piccin provides all the Fine Art handling services including crating and storage and the growth of the company since the 1980s is testament to the excellent professional skill and knowledge of the staff.

FRANCE

André Chenue S.A. is the leading company in France in the fine art packing and shipping field. The company employs 121 people in its three divisions:



- Exhibitions division, for museums and institutions
 - Market division, for antique dealers, galleries, auctioneers, etc.
 - Warehousing division, with 42.000 m2
- André Chenue S.A. has an office in Roissy Charles de Gaulle airport where three staff work day and night assisting couriers and supervising shipments. They have four regional branch offices in Nizza, Lyon, Toulouse and Nantes, managed by former museum registrars. The company is a registered customs broker, a registered I.A.T.A. agent, and ISO 2001 approved member.



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ICEFAT NEWS

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