

Notes regarding shipping boats, trailers etc. between countries via container

The following is a **2nd draft** of a “manual” to assist sailors on the Canadian Sailing Team to move their sailboats and coach-boats between countries where a shipping container must be used. Hopefully this document will be refined and will become a manual that can be used by sailors, coaches and CYA support staff.

I believe that the CYA should be the agents primarily responsible for coordinating this kind of shipping. The reasons are as follows:

1. Shipping can be complicated, frustrating and very time consuming and this is not conducive to a proper athletic program. Athletes should be insulated from anything that has a negative impact on their programs wherever possible.
2. The CYA is the organization that is responsible for the success or failure of the Canadian Sailing Team and it is therefore in their interest to take on shipping responsibilities.
3. Coordinating shipping requires a great deal of communication between shipping agents, customs brokers, the athletes, and representatives of athletes in various locations. The CYA has a permanent office with 24-hour faxes, convenient courier pick-up and drop-off, dedicated staff and the ability to collect and store relevant documents in an organized fashion.

Shipping Manual:

Billions of items are shipped around the globe every year. This has been going on for centuries and is not “rocket science”. It is, however, complicated by trans-border issues primarily customs regulations. The following are some points to keep in mind to make shipping as smooth as possible.

1. Carnet or import/export

A *carnet* is a document that lists ALL the items in a container that will be shipped from one country to another. The idea is that EVERY item that leaves country A enroute to country B will return at the same time to country A. Not one item from the container will remain in country B or return to country A by a different method than the other original items.

The carnet needs to be “fairly” specific but not so detailed as to create confusion when read by customs agents. E.g. A customs agent will not know what split rings, ratchet blocks and clevis pins are so if there is a bag of boat parts it should be listed as boat parts or if it is just part of the overall “sailboat” then it should not be individually listed. If there are 4 sailboats, a coach-boat on a trailer with an outboard engine and extra sails then it is best just to list the big items.

A carnet works well when the desire is that everything goes in the container and will return to the point of origin. Everything could also go to another location but it must all remain intact with no additions or deletions.

When using a carnet the shipper must usually post a bond. The shipping company will organize this and the bond is related to the value of all the goods on the carnet.

Canadian Carnets (I am pretty sure most worldwide) are issued for 1-year period. If the goods are not returned within a year, you will be subject to applicable fees and duties for the goods. This is very expensive. You can make a special deal to extend the carnet for more than a year but it is very difficult to achieve. This would be easier to arrange through CYA for a CAN carnet and I can imagine it will be more difficult if the goods are under a European Carnet.

Carnets are issued from the respective country's chamber of commerce. The best way to arrange a European carnet is to ship with a European team, that will arrange the carnet with their respective MNA / Chamber of commerce. It is not possible for a Canadian to get a carnet for a European boat, unless you are a permanent resident or citizen of another country. You will need a citizen from the respective country to sponsor you and arrange the carnet for your boat.

Import/Export

If the contents of the container are going to be split up and/or there will be new boats or other items added for the return or continuation of the container then it will be necessary to import the goods and then export them when they leave. This can be complicated and will require the use of a customs broker – typically organized by the shipping company. As with the carnet, it is necessary to be specific about the details of the goods but not to the extent of breaking down the components.

Customs agents finding items in the container that are not listed in the shipping documents or not accurately identified cause many of the shipping problems.

Import/Export are more likely subject to customs inspection and take a little longer to get customs release. The paperwork for the logistics company is a little more complicated and a bond needs to be paid to the respective country for the import duties of the goods. Once all the contents of the container have left, the duties are repaid. Here is an example of the problem with this:

Container A is shipped to a county with 3 boats. 2 boats leave 1 month they arrive and the third boat stays for another year. Bond duties will not be repaid until all the contents of the container leaves the country (1 year 1 month since the container arrived)

Bonds can be paid with VISA, which can expedite customs release of goods. However a 2% - 3% card fee is charged.

When shipping Import/Export, the goods have to leave the country they entered. E.g. A container is shipped from Miami to Spain with 1 boat in it. After the Worlds in POR, the owner of the boat wants to ship to AUS.

Options:

When the boat travels between Spain to Portugal, the bond / import paperwork has to be processed and released by Spanish customs and a new bond has to be paid to POR customs and new paperwork is issued. Now the boat can depart POR after the Worlds. The boat is packed into a container in Portugal. The container will have to be trucked to Spain before departing to Australia, so the appropriate bond can be cancelled. Even though Europe has 1 border (EU), each country has different VAT amounts.

Thus I would suggest sending any European Origin boats (CAD owned boats) that have paid VAT and taxes in Europe under import / export and Canadian origin boats under a **Canadian Carnet**.

The difficult situation with Import / Export is you want to keep the invoice prices of the boats inside the box as low as possible to avoid paying very high bonds, however, for insurance purposes, you don't want to make the invoices and declarations too low in case you have a claim for damaged goods.

If you are shipping Import / Export with several boats inside a box, I would strongly advise to get an idea of what the bond costs would be up front and collect money from the various people inside the box before the container goes to customs. To expedite the release of your goods, it is important that you the bond immediately and thus it is hard to coordinate several payments in a short period of time.

2. Documentation

The following documents should/must be part of the shipping package:

- Copies of passports for the owners of all the goods in the container
- Copies of all vehicle/boat registrations (this includes trailers)
- Receipts/bills of sale showing the value of all items
- Insurance documentation for all goods
- List of all goods identifying the owner of each

Many problems with respect to shipping are caused by the lack of documentation. Often a boat was put into the container that had not been properly imported into the departure country. If your boat was "smuggled" into the country you will now have trouble "smuggling" it somewhere else. As a general rule, don't ship goods that are not 100% proper goods in the departure country. When you buy a boat and have it delivered somewhere, make sure you import it properly at that time. Otherwise you will run into problems when you want to ship it elsewhere.

3. Shipping Companies

I'm not very knowledgeable about shipping companies. I have seen that some companies are truly worldwide and others are not. The smaller companies often network with other companies. Unless it is much cheaper to deal with a small company it would be better to have a single worldwide company. At one point Schenker was designated as a "Canadian

Sailing Team Sponsor”. I have been told they didn’t really do much for the team but it would be a great help if the CST had a shipping sponsor. If they had one person in Canada (Chantal?) who could assist with every shipment this would be very helpful. Sailing team shipping will have certain issues that will be consistent every time and a single agent could become familiar with them and know how to deal with them efficiently. It would be good to have a “source page” of all the shipping companies, their routes and their agents and contact numbers and this could include comments relating to how well they handle the kind of issues we deal with.

I would suggest working with 2004 Canadian Sailing Olympian, Chantel Ledger who works for Carsons. clledger@carson.ca

Working with a Canadian company will make sure your costs are all build in CAD dollars. I would steer away from British and European companies as they charge a much higher hourly rate (taxes + high exchange rate).

4. Type of shipping:

RORO – Roll on Roll off – This is a great option if you are sending a boat and trailer. The draw back with a RORO container is that they charge you based on a box rule, longest point x highest point x widest point of you trailer. A mast that overhangs the trailer by 10 feet is considered part of max length. Thus this is a great option for boats that have broken down masts – 49ers and Lasers. This would be ideal for Tornado if you shipped without a mast.

40’ Container vs. 40’ High Cube Container – It is about 200-300 dollars more to get a high cube container vs. regular one. The high cube gives you an extra 1’ height inside the box. Transport itself is the same. It usually makes sense to send goods with a high cube.

20’ Container

5. Ports

Some countries are better at dealing with the issues involving shipping. Oskar has indicated that Rotterdam is the best port in Europe. Events this past summer suggested that Valencia is NOT a good European port. The inconvenience of even 12 hours of extra ground transportation will not offset the inconvenience of a “bad” port of entry. If Rotterdam were a good port then it would probably be advisable to use it and to use shipping companies that have offices in Rotterdam.

5. State of goods inside the container

It is necessary to be familiar with specific rules in the destination country. For example you are not allowed to have any wood in your container going to Australia and New Zealand unless it is pressure treated. Also in Australia, you need to make arrangements to get any vehicles Australian documentation before they are allowed on the road. To get

this you need all the proper paperwork for the trailer. (I.e. the registration and insurance papers).

Trailers can present major problems when shipping. You can't formally import a European trailer to Canada.

Many countries (also Australia) are very fussy about food products. Candy wrappers and pop/beer cans can hold up the container for several days. An apple core could send it back to where it came from.

Australia and New Zealand are extremely fussy about quarantine inspection. Most sailboats will be subject to this and as a result most logistics companies will unload goods from the container so quarantine officers inspect the contents. Any sand, dirt, leaves, or bugs will require steam cleaning and/or fumigation. Which will further delay the release of the goods. I would suggest contacting the local MNA with help in regards to clearing boats through quarantine, especially if there is a long delay trying to schedule an officer.

The best way to secure multiple boats inside a box is to use scaffolding. Your logistics company might know where to obtain appropriate scaffolding materials.

6. Timing, final destination and people

It is not always possible but it is a lot better if you have somebody very reliable to meet the container and get it cleared and delivered. Here again is an area where the CYA could assist. If you don't make arrangements to have somebody on the ground to deal with the container when it arrives then you may run into issues when you do arrive. Storage of the container will be expensive.

It is very important that you schedule adequate contingency times when shipping. Less than 14 days is not recommended and 21 is ideal. Shipping from one regatta to the next should be avoided unless there is lots of time between the two and you can meet the container conveniently when it arrives. The danger is in arriving in a foreign country with nothing to do but to sit and wait for your container to arrive and clear customs. A good suggestion is to use the interactive schedule a Hapag Lloyd. (<http://www.hapag-lloyd.com/en/services/index.html>) This will give you a better understanding on transit time and route for your goods. To be safe, add 14-21 days contingency to the actual transit times. One thing that you will realize that some ships are much faster and take a more direct route than others. This will give you confidence in booking the logistics company makes for you goods.

It is not enough just to have the container arrive in the destination port. Where do the boats and gear need to go? This should all be figured out ahead of time and fully coordinated.

The re-loading and pick up of the container is essential to organize ahead of time. Don't allow people who have boats going in the container to leave the regatta without making

sure their end is fully organized. Everyone needs to make sure they or their representative are on-hand for un-loading and loading.

7. Loading and unloading:

At the Port:

You can have a container dropped at the port and you can drive there directly to pick up your boats. This is not common practice and even though you might think you are saving money, most of the time the costs are similar to shipping it to a logistics company or dropping it on the ground at a venue. One thing that is good about going directly to the port is that you are in the face of the people responsible on getting your goods, and things can move slightly quicker.

Tilt / side loader – Truck – Most sailing containers are fairly light and you can arrange to have the container dropped at the sailing venue if you book the proper truck. Make sure you specify that you want a tilt or side loader truck when you book transport of the container.

Sailing clubs in major cities are usually very tight for space and there might not be an opportunity to drop the container on the ground. In some instances it needs to be done at 4 am in the morning or before 7am.

Another option is to have the container delivered to the logistics company warehouse. They usually have a ramp and truck bay, so you can wheel trailers out of the box. If for some reason you don't have proper paperwork for a trailer to be on the local roads (using the trailer as a storage / trolley) you can still unload the trailer at a logistics company and send it to the yacht club on a tow truck. Tow truck is a good way to move goods when you don't have a trailer or your trailer does not have proper documentation.

Ideally it is best to store a container at a sailing venue for the entire duration of the trip. Most shipping companies charge 250-300 per day (after x amount of free days) for rental of a container. Thus if you are staying at a venue for a long time, it sometimes makes sense to get a rental container dropped on the ground if you need a container for security and storage of your gear. Rental containers are usually ones that are no longer fit for sea, (repaired containers) and are much more reasonable. Even with the added costs of dropping them on the ground, it sometimes makes much more sense financially. If you are going to go ahead and get a rental container, you can sometimes share the cost and space with another group of sailors who are shipping to similar ports.