

Running head: DCX Mexico Shipping Practices

Shipping Practices for DCX Shipments to Mexico

21st Century Logistics

March 16, 2007

Revised: August 23, 2007

Abstract

The purpose of this work instruction is to provide the reader with information regarding the shipping practices utilized by 21st Century Logistics regarding the shipment of non-productive materials to Mexico for DCX. This work instruction will discuss the types of shipments, types of imports into Mexico (import status), and the effects on shipping paperwork that is required. Also discussed will be the proper methods for preparing a bill of lading, commercial invoice and NAFTA Certificate of Origin. Samples of properly prepared paperwork will be provided at the end of this work instruction. DCX does not sanction this document. This work instruction has been prepared as a synopsis of past and current practices employed by 21st Century Logistics over the past 10 years of shipping DCX material to Mexico.

Introduction

Over the past ten years, 21st Century Logistics has helped to develop many of the procedures in place for shipping non-productive materials to Mexico for DCX. Over the past four years, however, the formal work instructions have not been updated. The purpose of this document is to provide fabricators who use the services of 21st Century Logistics with a synopsis of the types of shipments made to Mexico, and the proper methods for preparing paperwork. This document is not sanctioned by DCX, but it reflects the processes used over the past ten years, along with current changes as they are known to date.

Type of Shipments

Shipments made to Mexico can be full truckload shipments, which take up 70% or more of a 48-foot dry van (enclosed) trailer, flatbed shipments (those which cannot, due to size or difficulty of loading, fit into an enclosed trailer), and less-than-truckload (LTL) shipments (shipments taking up less than 70% of a 48-foot trailer).

When contacting 21st Century Logistics for quotes and/or pick up requests, the fabricator should inform 21st Century Logistics whether they are shipping a full truckload or less-than-truckload quantity. If the shipment is less-than-truckload, please document:

1. The number of skids to be shipped
2. Dimensions of each skid
3. Total shipment weight
4. NMFC class of freight
5. Origin
6. Destination

On larger volume LTL shipments, 21st Century Logistics will prepare an LTL rate quote and compare it to full truckload rates. If the full truckload rate is lower cost than the LTL rate, 21st Century Logistics will move the shipment as a full truckload.

The fabricator must also be aware that some shipments are for permanent importation (meaning they will be imported into Mexico and remain there permanently), and some shipments are for temporary importation (meaning they will be used to ship parts back and forth between Mexico and Canada/U.S.). The fabricator should inform 21st Century Logistics of the import status of their shipment (i.e. permanent or temporary), as this information is required to be reported to the DCX broker. The import status of shipments will also impact how the NAFTA Certificate of Origin will be completed. If the fabricator is unsure of the import status of their shipment, they should contact DCX, MHSI, Ghafari, or ILogic, as appropriate, to obtain that information.

DCX Program Designations

21st Century Logistics is required to inform the DCX broker of the DCX program that shipments are being made for. DCX program designations typically will include a two letter code, such as JC, JS, DR, DH, DC, WE, etc. The DCX program designation should be provided to 21st Century Logistics at the time the pick up is requested, and should also be listed on all shipping papers. If the fabricator is unsure of the DCX program designation, it can typically be found on the DCX purchase order, or the MRF. If this information is not available on the PO or MFR, please contact DCX, MHSI, Ghafari, or ILogic, as appropriate, to obtain that information.

Shipping Papers

The main documents the fabricator must prepare for DCX shipments to Mexico include a bill of lading, commercial invoice, and NAFTA Certificate of Origin. The fabricator should be

sure to give one copy of these documents to the driver. The fabricator should also affix one copy of these documents to their shipment in a packing slip envelope. Please retain a copy of all shipping papers for your records, and fax or email copies of your shipping papers to 21st Century Logistics. Emailed copies can be sent to rdchalmers@21cl.com. Faxed copies can be sent to (248) 569-9023. Emailed copies are preferred. 21st Century Logistics will forward the fabricator's shipping papers, along with instructions, to the DCX broker. The DCX broker will NOT accept any shipment, without the shipping papers and instructions from 21st Century Logistics, so it is imperative that the fabricator forward the shipping papers to 21st Century Logistics as soon as the carrier is released by the fabricator.

Labeling Multiple Pallets

Where the fabricator will be shipping multiple pallets, each pallet should be clearly marked with the name and address of the final destination. This will aid carriers (specifically LTL carriers) in locating shipments in the event they become lost in transit.

Bill of Lading Preparation

The bill of lading document should contain a bill of lading number for audit purposes, the shipper's address, carrier trailer number (for full truckloads) or pro number (for LTL shipments), consignee information (i.e. Allied Forwarding or ROAH Forwarding), final delivery address information (including the DCX supplier code for the final destination), DCX program designation, and import status (i.e. permanent or temporary). The carrier's trailer number (full truckload) and pro number sticker (LTL shipments) will be used to track shipments, so please be sure this information is visible on the bill of lading copy sent to 21st Century Logistics.

All bills of lading must be consigned to the following address for those shipments moving through the Laredo, TX gateway:

Allied Forwarding
13713 North Unitec Drive
Laredo, TX 78041
(956) 723-3050

For those shipments moving via the El Paso, TX gateway, the bill of lading should consign the shipment to the following address:

ROAH Forwarding
8445 Buena Vista, Suite B
El Paso, TX 79907
(915) 592-1192

The consignee information tells the carrier what broker to deliver the shipment to for customs clearance purposes. Please include the telephone number of the broker, as listed above, on your bill of lading and commercial invoice. If the fabricator is not sure what gateway to use, please contact 21st Century Logistics.

The body of the bill of lading must document the final destination name and address. The final destination name and address informs the Mexican carrier where in Mexico the shipment is to be delivered. An example of a properly completed bill of lading is attached for your review. Although not all fabricators will use the identical form shown in the attached example, the bill of lading attached does clearly document the correct way document the consignee and final destination sections of the bill of lading. Questions on the proper method for completing bills of lading can be directed to 21st Century Logistics.

Finally, please include the contact name and telephone number for the final destination in Mexico. Many times, Mexican carriers are required to make delivery appointments, and the contact information helps in this instance. Further, a contact name and telephone number will

help to reduce the instances of receiving errors on the part of dock personnel at the final destination.

Commercial Invoice

The commercial invoice should include the DCX program designation, the part number(s) being shipped (list the DCX part numbers), number of pieces of each part number being shipped, a unit price for each part number being shipped, an extended value for each part number being shipped (i.e. number of pieces shipped x unit price = extended value), and a total invoice value (the sum of all extended values).

It is important to remember that all contents of your shipment need to be documented with a unit price and extended value. If you are a dunnage supplier, for example, and are placing dunnage inserts in a DCX owned container, you must document the container and the dunnage on your invoice, along with the unit price and extended value for both the containers and the dunnage inserts. **Using a zero value is not allowed**, and doing so will result in the shipment being delayed at the border. If you are not sure of the value, contact DCX, MHSI, Ghafari, or ILogic, as appropriate, to obtain that information.

It is important to note that the commercial invoice is used to document the value of the shipment to customs for the purpose of determining import duties. An example of a properly prepared commercial invoice is attached.

NAFTA Certificate of Origin

Please note that effective January 2007, DCX requires that an original copy of a blanket NAFTA Certificate of origin is to be sent via overnight mail to the DCX broker. A blanket NAFTA, once on file with DCX, will be used to import your shipments for the entire blanket period (usually January 1st through December 31st of each year). Fabricators will be required to

repeat this process at the 1st of each year. The DCX broker WILL NOT import any shipment without an original of the blanket NAFTA Certificate of Origin on file with DCX. All original blanket NAFTA Certificates of Origin should be addressed to:

Allied Forwarding
Attn: Analisa Ruiz
13713 North Unitec Drive
Laredo, TX 78041

The NAFTA Certificate of Origin must be completed to the unique specifications of DCX. If there are errors, it will be rejected, and your shipment will be delayed in getting imported. Fabricators must have their blanket NAFTA certificate approved by DCX, **PRIOR** to sending it to the DCX broker via overnight mail.

The import status (i.e. permanent or temporary) of the shipment will affect how the NAFTA Certificate of Origin is completed. Please make sure that the Tax ID number of both the exporter and producer are listed on the NAFTA. Examples of properly prepared NAFTA Certificates of origin are attached for both permanent imports and temporary imports. Please note that if the shipment is for **permanent importation**, the address in box 4 of your NAFTA (Importer of Record) will ALWAYS read as follows:

Chrysler de Mexico S.A. de C.V.
Av. Prolongación Paseo de la Reforma No. 1240,
Desarrollo Santa Fé, C.P. 05348, Delegación. Caujimalpa,
México, D.F. México
Tax ID CME720930GM9

Should the shipment be for **temporary importation**, the address in box 4 will be that of the final destination in Mexico you are shipping to, along with their tax ID number.

The fabricator should forward a digital copy of their blanket NAFTA Certificate of origin to Wendy Ramirez de Leon of DCX at wwr5@dcx.com. Ms. Ramirez de Leon will review your blanket NAFTA Certificate of Origin and inform you of any changes that are required. Please

have the NAFTA approved by Ms. Ramirez de Leon **BEFORE** shipping. Failure to do so will lead to addition overnight air charges due to sending your corrections to Allied Forwarding. Once the blanket NAFTA has been approved by DCX, the fabricator should still continue to send a NAFTA certificate with each shipment. NAFTA certificates for subsequent shipments, however, do **not need** to be overnight mailed to Allied Forwarding.

HS Tariff Numbers

The HS tariff numbers used on the NAFTA Certificate of Origin should be approved by DCX. If the fabricator is unsure of the HS tariff number to use, they should contact Wendy Ramirez de Leon of DCX at wwr5@dcx.com or Analisa Ruiz of Allied Forwarding at aruiz@gontor.com (telephone (956) 729-4933).

Commercial Invoice and NAFTA Correlation

The fabricator must make sure that the information on the commercial invoice matches the information on the NAFTA certificate. This means, for example, that if the shipment consists of plastic containers, plastic pallet bases and plastic top caps, the commercial invoice and NAFTA certificate must both list **ONLY** these items. Should the NAFTA certificate list items that are not included on the invoice, the shipment will be held up at the border, and corrections will need to be made.

Conclusion

This document has presented the types of shipments, and the processes for preparing shipping papers for DCX non-productive shipments to Mexico. Examples of properly prepared bills of lading, invoices and NAFTA Certificates of Origin have been provided. Communication requirements have also been discussed. Following these instructions will help to reduce dwell

time at the border and delays in importing shipments. Questions regarding the content of this document can be directed to 21st Century Logistics at (248) 569-2024.

STRAIGHT BILL OF LADING – SHORT FORM - NOT NEGOTIABLE

BILL DATE: 03/26/07

BILL NUMBER: 81781336

CONSIGNEE:
 ALLIED FORWARDING CORPORATION
 13713 N UNITEC DRIVE
 LAREDO TX 78045

SHIPPER:
 ORBIS CORPORATION
 915 C PHOENIX DRIVE
 URBANA OH 43078 U.S.A.

FINAL DESTINATION:
 TRELLEBORG YSH
 PARQUE IND TOLUCA KM 56 6 2000 CALLE 3
 NO. 103 52060 TOLUCA MEXICO

CARRIER: 21ST CENTURY LOGISITICS

ORBIS ORDER# 90165026

CHARGE TYPE: PREPAID AND INCLUDE

NO PACKAGES	DESCRIPTION	ACTUAL CLASS	ACTUAL WEIGHT	PIECES
5	SKIDS	250	1159 POUNDS	552

REMARKS:

FINAL DESTINATION: MEXICO THROUGH SHIPMENT TO MEXICO. ALLIED FORWARDING ACTING AS CUSTOMS BROKER.
 3RD PARTY BILLING TO: 21ST CENTURY LOGISITICS 28660 SOUTHFIELD ROAD STE 260 LATHROP MI 48076-2774

DAIMLER CHRYSLER ORDER
 MRF LOG# 64905A
 JS07 PROGRAM

PLEASE RECEIVE INTO THE DCX SMART SYSTEM
 SHIP TO SUPPLIER CODE 99201K
 ORBIS (URBANA OH) SUPPLIER CODE: 58944 H

ATTN: LUIS SEGURA – LUIS.SEGURA@TRELLEBORG.COM
 JS2007

SHIPPER _____ DATE _____

CARRIER _____ DATE _____

All parties hereto and their assigns agree that the bill of lading is subject to: 1. the contract terms and conditions of the uniform domestic straight bill of lading as set forth in the NMFC, and 2. the applicable tariff and classifications in effect as of the date hereon. This bill is subject to Section & of conditions, and the carrier shall not make delivery of this shipment without payment of the freight and all other lawful charges.

Customs Invoice/Mexico Example

1 of 1

12

1. Vendor (Name and Address) ABC COMPANY 2345 Williams Lake Road Waterford, MI 48329 248-674-4626, FAX 248-674-3660		2. Date of Direct Shipment to Mexico 03/26/2007	Invoice Number BOL 80131765														
4. Consignee (Name and Address) ALLIED FORWARDING CORPORATION 13713 NORTH UNITEC DRIVE UNITEC INDUSTRIAL CENTER LAREDO, TX 78045 ATTN: MONICA MUÑOZ 956-729-4958		3. Other References (Include Purchaser's Order No.) PO LT 11111, Lines 3, 4, 5, 6 & 9															
8. Transportation: Give Mode and Place of Direct Shipment to Mexico VIA EXPRESS CARRIERS FINAL DESTINATION: METALSA SA DE RL CARR MIGUEL ALEMAN KM 16.5 #100 APODACA, NL MEXICO 66600		5. Purchaser's Name and Address (if other than Consignee) METALSA S. DE R.L. CARRETERA MIGUEL ALEMAN KM 16.5 #100 APODACA, NL 66600, MEXICO															
9. Conditions of Sales and Terms of Purchase (i.e. Sale, Consignment Shipment, Leased Goods, etc.) Sale, Net 30 Days		6. Country of Transshipment <input type="text"/>	7. Country of Origin of Goods U.S.A.														
10. Currency of Settlement U.S. Dollars																	
11. No. of Pkgs 16	12. Specification of Commodities (Kind of Packages, Marks and Numbers, General Description and Characteristics i.e. Grade, Quality) Wood crates, 27" h x 33" w x 41" long containing the following: Toyota 180L front LH steel spacer, painted blue Toyota 180L front RH steel spacer, painted yellow Toyota 180L front special LH steel spacer, painted green Toyota 180L front special RH steel spacer, painted orange Toyota 180L rear special steel spacer, painted grey	13. Quantity 572 572 77 77 153	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Selling Price</th> </tr> <tr> <th style="width: 50%;">14. Unit Price</th> <th style="width: 50%;">15. Total</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0.00</td> <td style="text-align: center;">\$00,000.00</td> </tr> <tr> <td style="text-align: center;">\$0.00</td> <td style="text-align: center;">\$00,000.00</td> </tr> <tr> <td style="text-align: center;">\$0.00</td> <td style="text-align: center;">\$ 0,000.00</td> </tr> <tr> <td style="text-align: center;">\$0.00</td> <td style="text-align: center;">\$ 0,000.00</td> </tr> <tr> <td style="text-align: center;">\$0.00</td> <td style="text-align: center;">\$ 0,000.00</td> </tr> </tbody> </table>	Selling Price		14. Unit Price	15. Total	\$0.00	\$00,000.00	\$0.00	\$00,000.00	\$0.00	\$ 0,000.00	\$0.00	\$ 0,000.00	\$0.00	\$ 0,000.00
Selling Price																	
14. Unit Price	15. Total																
\$0.00	\$00,000.00																
\$0.00	\$00,000.00																
\$0.00	\$ 0,000.00																
\$0.00	\$ 0,000.00																
\$0.00	\$ 0,000.00																
18. If any Fields 1 to 17 are included on an additional commercial invoice, check this box. Commercial Invoice No. <input type="text"/> <input type="checkbox"/>		16. Total Weight <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">Net</th> <th style="width: 50%;">Gross</th> </tr> <tr> <td style="text-align: center;">15,762#</td> <td style="text-align: center;">17,682#</td> </tr> </table>		Net	Gross	15,762#	17,682#										
Net	Gross																
15,762#	17,682#																
17. Invoice Total \$00,000.00																	
19. Exporters Name and Address (if other than vendor) ABC COMPANY 2345 Williams Lake Road, Waterford, MI 48239		20. Originator (Name and Address) <input type="text"/>															
21. Departmental Ruling		22. If fields 23 & 25 are not applicable, check this box <input type="checkbox"/>															
23. If included in field 17., indicate amount: (I) Transportation charges, expenses and insurance from the place of direct shipment <input type="text"/> (II) Costs for Construction, erection and assembly after transportation into Mexico <input type="text"/> (III) Export Packing <input type="text"/>	24. If not included in field 17., indicate amount: (I) Transportation charges, expenses and insurance from the place of direct shipment <input type="text"/> (II) Amounts for Commissions other than buying commissions <input type="text"/> (III) Export Packing <input type="text"/>	25. Check if applicable (I) Royalty payments or Subsequent processes are paid or payable by the purchaser <input type="checkbox"/> (II) The purchaser has supplied goods or services for use in the production of these goods. <input type="checkbox"/>															

DCX Mexico Shipping Practices
 NORTH AMERICAN FREE TRADE AGREEMENT
 CERTIFICATE OF ORIGIN
 NAFTA Permanent Import

OMB No. 1515-0204
 See back of form for Paperwork
 Reduction Act Notice.

Please print or type

19 CFR 181.11, 181.22

1. EXPORTER NAME AND ADDRESS ABC COMPANY 2345 WILLIAMS LAKE ROAD WATERFORD, MI 48329 USA TAX IDENTIFICATION NUMBER 11-1111111	2. BLANKET PERIOD (DD/MM/YY) FROM 01/01/07 TO 31/12/07
3. PRODUCER NAME AND ADDRESS Available to CBP upon request. TAX IDENTIFICATION NUMBER	4. IMPORTER NAME AND ADDRESS Chrysler de México S.A. de C.V. Av. Prolongación Paseo de la Reforma No. 1240 Desarrollo Santa Fe, C.P. 05348, Delegación Caujimalpa México D.F. México TAX IDENTIFICATION NUMBER DME720930GM9

5. DESCRIPTION OF GOOD(S)	6. HS TARIFF CLASSIFICATION NUMBER	7. PREFERENCE CRITERION	8. PRODUCER	9. NET COST	10. COUNTRY OF ORIGIN
Steel pallet used for material handling purposes to ship automotive frames. Various sizes and part numbers.	7326.90	B	No (2)	No	US
Steel front and rear frame spacers used for material handling purposes. Various sizes, part numbers and colors.	7326.90	B	No (2)	No	US
Steel lock box used for material handling purposes. Various sizes and colors.	7326.90	B	No (2)	No	US
Steel harness used for material handling purposes to ship automotive frames. Various sizes, colors and part numbers.	7326.90	B	No (2)	No	US

I CERTIFY THAT:

- THE INFORMATION ON THIS DOCUMENT IS TRUE AND ACCURATE AND I ASSUME THE RESPONSIBILITY FOR PROVING SUCH REPRESENTATIONS. I UNDERSTAND THAT I AM LIABLE FOR ANY FALSE STATEMENTS OR MATERIAL OMISSIONS MADE ON OR IN CONNECTION WITH THIS DOCUMENT;
- I AGREE TO MAINTAIN, AND PRESENT UPON REQUEST, DOCUMENTATION NECESSARY TO SUPPORT THIS CERTIFICATE, AND TO INFORM, IN WRITING, ALL PERSONS TO WHOM THE CERTIFICATE WAS GIVEN OF ANY CHANGES THAT COULD AFFECT THE ACCURACY OR VALIDITY OF THIS CERTIFICATE;
- THE GOODS ORIGINATED IN THE TERRITORY OF ONE OR MORE OF THE PARTIES, AND COMPLY WITH THE ORIGIN REQUIREMENTS SPECIFIED FOR THOSE GOODS IN THE NORTH AMERICAN FREE TRADE AGREEMENT, AND UNLESS SPECIFICALLY EXEMPTED IN ARTICLE 411 OR ANNEX 401, THERE HAS BEEN NO FURTHER PRODUCTION OR ANY OTHER OPERATION OUTSIDE THE TERRITORIES OF THE PARTIES; AND
- THIS CERTIFICATE CONSISTS OF PAGES INCLUDING ATTACHMENTS.

11.	11a. AUTHORIZED SIGNATURE	11b. COMPANY ABC COMPANY		
	11c. NAME (Print or Type) John Q. Shipping	11d. TITLE Shipping Manager		
	11e. DATE (DD/MM/YY) March 26, 2007	11f. TELEPHONE NUMBER	(Voice) (248) 674-0387	(Facsimile) (248) 674-3660

DCX Mexico Shipping Practices
 NORTH AMERICAN FREE TRADE AGREEMENT
 CERTIFICATE OF ORIGIN
 NAFTA Temporary Import

OMB No. 1515-0204
 See back of form for Paperwork
 Reduction Act Notice.

Please print or type

19 CFR 181.11, 181.22

2. EXPORTER NAME AND ADDRESS ABC COMPANY 2345 WILLIAMS LAKE ROAD WATERFORD, MI 48329 USA TAX IDENTIFICATION NUMBER 11-1111111	2. BLANKET PERIOD (DD/MM/YY) FROM 01/01/07 TO 31/12/07
3. PRODUCER NAME AND ADDRESS Available to CBP upon request. TAX IDENTIFICATION NUMBER	4. IMPORTER NAME AND ADDRESS METALSA S. de R.L. CARRETERA MIGUEL ALEMAN Km. 16.5 NO. 100 APODACA, NUEVO LEON, MEXICO C.P. 66600 TAX IDENTIFICATION NUMBER MET920131-CN5

5. DESCRIPTION OF GOOD(S)	6. HS TARIFF CLASSIFICATION NUMBER	7. PREFERENCE CRITERION	8. PRODUCER	9. NET COST	10. COUNTRY OF ORIGIN
Steel pallet used for material handling purposes to ship automotive frames. Various sizes and part numbers.	7326.90	B	No (2)	No	US
Steel front and rear frame spacers used for material handling purposes. Various sizes, part numbers and colors.	7326.90	B	No (2)	No	US
Steel lock box used for material handling purposes. Various sizes and colors.	7326.90	B	No (2)	No	US
Steel harness used for material handling purposes to ship automotive frames. Various sizes, colors and part numbers.	7326.90	B	No (2)	No	US

I CERTIFY THAT:

- THE INFORMATION ON THIS DOCUMENT IS TRUE AND ACCURATE AND I ASSUME THE RESPONSIBILITY FOR PROVING SUCH REPRESENTATIONS. I UNDERSTAND THAT I AM LIABLE FOR ANY FALSE STATEMENTS OR MATERIAL OMISSIONS MADE ON OR IN CONNECTION WITH THIS DOCUMENT;
- I AGREE TO MAINTAIN, AND PRESENT UPON REQUEST, DOCUMENTATION NECESSARY TO SUPPORT THIS CERTIFICATE, AND TO INFORM, IN WRITING, ALL PERSONS TO WHOM THE CERTIFICATE WAS GIVEN OF ANY CHANGES THAT COULD AFFECT THE ACCURACY OR VALIDITY OF THIS CERTIFICATE;
- THE GOODS ORIGINATED IN THE TERRITORY OF ONE OR MORE OF THE PARTIES, AND COMPLY WITH THE ORIGIN REQUIREMENTS SPECIFIED FOR THOSE GOODS IN THE NORTH AMERICAN FREE TRADE AGREEMENT, AND UNLESS SPECIFICALLY EXEMPTED IN ARTICLE 411 OR ANNEX 401, THERE HAS BEEN NO FURTHER PRODUCTION OR ANY OTHER OPERATION OUTSIDE THE TERRITORIES OF THE PARTIES; AND
- THIS CERTIFICATE CONSISTS OF PAGES INCLUDING ATTACHMENTS.

11.	11a. AUTHORIZED SIGNATURE	11b. COMPANY ABC COMPANY		
	11c. NAME (Print or Type) John Q. Shipping	11d. TITLE Shipping Manager		
	11e. DATE (DD/MM/YY) March 26, 2007	11f. TELEPHONE NUMBER	(Voice) (248) 674-0387	(Facsimile) (248) 674-3660