

The role of the specialist agent in lending and borrowing

David Epstein

The reason to use a specialist freight agent is the same reason you go to an eye doctor with an eye problem or to a dentist when you have a tooth ache; you go to the source that has most familiarity with the situation, your needs, and who has the experience to solve the problem.

It is important to understand that most general freight forwarders/transporters will run away from any request to provide services to museums, galleries or private collectors. Why?

- Extremely high values make general freight forwarders very nervous about their liability and their insurance costs (in the United States of America one of the major US domestic and international airlines, US Airways, will not carry artwork – with or without value declared – as they are afraid of their liability. As they are the only carrier to use Philadelphia as a hub, this situation has presented problems for the Philadelphia Museum of Art, who now has to truck a majority of their shipments to New York).
- Sizes of shipment – again most companies will be afraid they do not have the equipment to handle large or heavy works, or the experience to know where to get the resources.

Assuming that you do find a general shipper who is willing to handle your shipment, why should you still go to the specialist?

The specialist knows how to arrange the special packing requirements for artwork that the normal transporter does not understand or see the requirement for. (In the U.S. this need is not as urgent as many museums do their own packing). Most of these specialists often

have in-depth knowledge of the work being shipped. This helps in properly identifying the type of interior packing that might be necessary. Ask a general handler about specific types of crates and see what type of answers you get!

The specialist owns or has easy access to trucks that meet these specific needs:

- Climate control
- Air Ride
- Special door heights and openings to accommodate large works
- Power-lift tail gates for collection or delivery where there is no suitable loading dock
- The facility to accommodate couriers on long-haul trips

The specialist freight agent is pivotal in making appropriate airline arrangements. Determining what flights are available and making a booking is not as easy as it sounds. One can call an airline today and get a confirmation for a crate that will not even fit on the plane. Airlines have such high personnel turnover these days that a good part of their staff will not know what fits or does fit on a particular flight. The specialist will know this and have the experience to book the correct flight.

Specialist freight agents can negotiate rates for special shipments and help to avoid charges by advising in situations such as:

- Overhanging pieces – for example one of our clients was recently working on shipping a long thin piece that was going to overhang the airline pallet and needed to be shipped separately on a freighter. Tina Sullivan, from our LA office who was working on the shipment, suggested to the client that they make a large square crate and pack the piece

on a diagonal inside the crate. The crate now fitted on a normal flight creating big savings in cost and time.

- Large shipments that have crates that cannot be stacked/top loaded
- Gaining permission to load oversize crates on particular flights

Specialist freight agents are pivotal in obtaining permission for couriers to travel on all cargo flights, this can include obtaining permissions from security agencies as well as the airlines. They can also obtain the correct tickets for couriers to travel on all cargo aircraft.

Similarly the relationship a specialist freight agent has with airlines and airports enables them to provide supervision of shipments, because they can gain permission from the airlines to be in their warehouses to oversee handling and palletizing. This relationship can also allow their staff tarmac access to make sure the shipments are loaded on the correct flights. They may be able to obtain the right to take a courier to the gate or to meet an arriving courier planeside or in the customs area.

Customs is a key area where a specialist agent plays an important role in controlling what happens when your shipment arrives by arranging for immediate release of the shipment upon arrival, and by making sure that shipments are not opened for customs examination at the airport. They have a thorough understanding of regulations and understand their timing so that any extra duty or taxes is not paid. Customs arrangements in the U.S, like Australia, are relatively easy these days compared to other governmental agencies. These organisations, such as

agencies that regulate CITES material, food and drug agencies and agricultural agencies, can be difficult to deal with.

All of the previous points are good reasons why a specialist should be used but many general transporters can come up with the solutions or means to resolve many of these issues. What then really separates the specialist from the generalist?

Specialist agents are important in general negotiation with the lenders. So many times Masterpiece International has been contacted by a lender to advise us that although they initially agreed to lend they have now decided that they are not going to allow a loan to proceed. Their reasons range from being unhappy with the insurance provision, to being dissatisfied with the 'experience', response, timing, or attention of the borrowers. A good transporter can help explain the insurance policy or arrangements, and knows the key concepts and phrases to put the lender at ease and facilitate the loan moving forward.

A good transporter will also be sure to let the lender know that the borrower is always looking out for the lender's works. When we cannot do this ourselves, we know how to become the 'messenger' between the lender and borrower to make it happen. Masterpiece International has handled two major exhibitions for the Metropolitan Museum and Philadelphia Museum on art of South America. In both exhibitions there were at least ten works that would have not been in the exhibition if Ruben Mendez of Delmiro Mendez, a specialist agent in Buenos Aires, had not been the direct negotiator for the loans.

Negotiating and arranging courier's hotels, per diems, class of travel and expenses payments also sets the specialist apart from the generalist. A good agent knows how to act and what to say to keep both 'sides' calm *usually* resulting in a meeting of the minds with minimum disruption to the shipping plans.

While it may seem like you are paying more for specialized services, I truly believe that in the end the good transporter will save overall costs in a number of ways.

Firstly they are able to negotiate and coordinate shipping dates with lenders so that shipments travel together and save the extra costs of separate shipments. They can also negotiate costs with the airlines and provide advice about how to best utilise pallet space on planes. Specialist agents can expedite the customs clearance to avoid excess truck waiting time and having museum staff waiting at their museum longer than necessary to receive shipments. The relationship that an agent has with airlines and other contracts is also pivotal when problems arise – making sure your shipment is loaded when the airline is overbooked, or making sure your shipment travels even if the truck arrives late for the airline close out time.

Finally, a note of caution, the service that you get from your suppliers, whether specialists or not, is reliant on the information you provide. It is important to give your freight agent all the information you have so that they are aware of the full situation and can anticipate and mitigate any issues that may arise.

David Epstein is President of Masterpiece International, USA