SHAP TALK

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In this issue:

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TRADE NEWS:

C-TPAT Status Verification Interface (SVI)

The Customs Trade Partnership Against Terrorism (C-TPAT) Status Verification Interface (SVI) or partner monitoring allows C-TPAT Partners to track the C-TPAT status of their business partners.

This process has changed with C-TPAT's portal 2.0 becoming more complex but still enable you to monitor your C-TPAT business partners as long as they accept your "friend request," similar to the type seen on Facebook. Additionally, the company must consent to share their status with other companies first when they agree to the SVI Agreement. This will allow the company to be "searchable" to other business partners or "friends."

To gain access to this information, from your C-TPAT portal, go to your Trade Account and select Status Verification Interface, then select "Request Monitoring," search for the C-TPAT certified company and when the business partner you are searching for appears, select "send request." Your request will show up in the Partner's "Partners You are Monitoring" list with a request status of "PENDING."

Once your business partner approves the request by toggling from PENDING to ACCEPT, the company's status will also appear in your "Partners Monitoring You" list. As a monitoring Partner, the choice to accept or decline a Partner request is your decision.

Trans-Pacific Partnership (TPP) Resources

There has been a great deal of chatter during the presidential campaign season about the Trans-Pacific Partnership (TPP) trade agreement.

The TPP trade agreement is designed to reduce and eliminate trade barriers among 12 countries that carry 40 percent of global GDP, including countries in the Asia-Pacific region where it is projected the majority of the global middle class will reside by 2030. The U.S. Secretary of Commerce, Penny Pritzker, notes, "The Trans-Pacific Partnership is a tough, high-standard, and modern trade agreement that reflects our values on labor, the environment, and human rights." The goal is to sell high-quality American goods and services that foreign customers desire.

In an effort to understand the TPP, the International Trade Administration (ITA) has its own campaign to educate workers, businesses, and the larger public about the benefits of this agreement. The ITA has a full country report outlining all 11 partner markets and specific industry sectors. The partner countries are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. This report complements the series of fact-sheets released earlier this year.

The ITA is also conducting a series of webinars focusing on the partner countries. With nearly 200 Foreign Commercial Service officers and staff in the 11 TPP partner markets, in addition to officers and staff in more than 100 U.S. cities, the ITA notes that they stand ready to connect U.S. exporters to the distributors, manufacturers, and customers that will drive success under the TPP.

Export Control Reform: State & BIS Issue Additional Items No Longer Controlled Under Cat XIV & Cat XVIII

In the July 28th Federal Register, The Department of State and The Department of Commerce published final bookend rules to amend and add additional items for control from the United States Munitions List (USML) Categories XIV (toxicological agents, including chemical agents, biological agents, and associated equipment) and XVIII (directed energy weapons) to control under the Commerce Control List. The revisions are undertaken in order to more accurately describe the articles within the subject categories, and to establish a "bright line" between the USML and the CCL for the control of these articles. These final rules are effective on December 31, 2016.

Removal of AES License Type C32, No License Required (NLR)

Effective October 1, 2016, the Department of Commerce, Bureau of Industry and Security (BIS) will remove License Code C32, designated for No License Required (NLR) shipments, from the Automated Export System (AES). As a result of this action, License Code C33 will be used for all NLR shipments, except those classified with Export Control Classification Numbers (ECCNs) 600-series and 9x515 having a .y paragraph which will continue to be designated as NLR under C60 (DY6).

License Code C32 was designated for all NLR shipments of items classified under 600- series and 9x515 ECCNs (except .y paragraph) if exported to Canada. These items to Canada will now be reported under License Type Code C33. The ECCN will be required for the filing of these items, as per the EAR 758. 1(g)(3), stated above. All other items classified under 600-series and 9x515 ECCNs (except .y paragraph and 9x515.e) to destinations other than Canada must have an eligible license or license exception.

License Code C32 will be accepted in AES for 180 days (6 months) after the effective date. After this time, AES will generate a fatal error if filers use License Code C32.

A complete list of all the AES License Type codes and reporting instructions for these types can be found on the CBP website under AESTIR Appendix F - License and License Exemption Type Codes.

For questions regarding these AES changes, please contact the Bureau of Industry and Security by email at ECR_AES@bis.doc.gov or at (202) 482-4933.

CBP to Outsource ADD/CVD Duty Collections

Although a date has not been confirmed, Customs and Border Protection is looking at outsourcing the collections process for uncollected anti-dumping and countervailing duties to private firms. The announcement was made by Eugene Schied, acting Executive Assistant Commissioner for Enterprise Services, during the Commercial Customs Operations Advisory Committee (COAC) meeting held in Boston on July 27th.

The collection of outstanding duties can be a cumbersome process for the government. Schied stated, "We've got the authority to start to work with private collections agencies, so we're going to take a crack at that." This of course is to ensure that all outstanding revenue from uncollected duties is retrieved in a timely manner, especially when it relates to higher-than-normal duty rates that apply to ADD/CVD products.

Importers Benefit from Renewal of Tariff Exemption

U.S. companies that import raw materials or intermediate products will soon benefit from the recently re-enacted law that allows U.S. importers to appeal to the federal government, which will make the products exempt from tariffs.

As long as there are no U.S. based competitors, the Miscellaneous Tariff bill allows manufacturers to request that the tariff be temporally lifted on the items used in the manufacturing or production of a company's goods. The bill hasn't been in place since its previous version expired in 2012.

According to the National Association of Manufacturers, since the previous law's expiration, U.S. companies have paid over $700 million in taxes and re-instating the law will remove unnecessary tariffs from hundreds of raw materials and products. Two 60-day periods, the first beginning on October 15th and the second in the fall of 2019, will allow companies to petition the U.S. government to remove tariffs on products they import.

While this new law will help some manufacturers in the United States, many companies may not benefit from the tariff exemption because of an exclusion prohibiting items that have U.S. based competition for the products they import or manufacture.

EPA Proposes Stricter Formaldehyde Emissions Standard

The Environmental Protection Agency (EPA) released a new formaldehyde emissions standard that will make national regulations fall in line with the more stringent requirements currently imposed by the California Air Resources Board (CARB). The overarching goal of the new proposal is to make home and office spaces safer by further diminishing dangerous vapors and residues produced by formaldehydes, which are commonly used as adhesives in all types of composite wood products. The proposal is likely to add a new level of complexity to the already rigorous compliance standards imposed upon importers of furniture, flooring, cabinets, plywood and other products comprised of composite woods.

The EPA's initiative was sparked after the Lumber Liquidators' supply chain had been labeled CARB compliant when it was not following the program guidelines. The new standard will act as an addition to the existing Formaldehyde Emission Standards for Composite Wood Products Act of 2010, which was the EPA's first effort at further reducing formaldehyde usage in composite products. Once the new standard is published, importers and sellers of products containing composite wood will have one year to ensure their products are Toxic Substances Control Act (TSCA) - Title VI compliant.

The EPA is currently working to set testing and eligibility requirements for third-party certifiers. There is much work to be done before the standard will be formally published, but considering the widespread usage of formaldehyde as an adhesive, the ruling is likely to affect many in the industry.

China's Evolving Economy Hinders U.S. Exports

The uncertainty of China's economy is having a negative impact on a wide range of U.S. exporters from cotton producers to heavy machinery. When compared to the previous year, U.S. exports to China over the first five months of 2016 have decreased by 8.2%, or roughly $42 billion. Though China's economy is still expanding, primarily as a result of the $174 billion worth of goods that China has exported into the U.S. year-to-date, it is doing so at a slower rate than previous years, and this is hurting U.S. exporters.

The decline in export growth for U.S. machinery producers can be partly attributed to a Chinese economy that has become increasingly less reliant upon machinery. Chinese imports of U.S. construction machinery have dropped 53% since 2013. This decline is occurring as the economy shifts from a production driven economy to a consumer driven economy that is influenced much more by technology and much less by heavy industry.

In conjunction with its shifting economy, China is also beginning to fulfill more of its food, cotton, coal and electronic product needs through domestic channels, thus further reducing the need for foreign imported goods. Much of China's cotton comes from foreign suppliers; however, during a shortage in 2010, Chinese importers stockpiled a vast surplus and have little to no need for U.S. cotton at the moment. As for coal, China has implemented many green and alternative energy initiatives, reducing the need for U.S. coal imports. Overall, if current trends continue, U.S. exporters of machinery, food, cotton, coal and electronics will need to find trading partners in other countries to pick up the slack created by the evolution of the Chinese economy.

Forwarders, Technology Providers and Tour Guides

The role of a freight forwarder has sometimes been likened to a middleman capitalizing on the inefficiencies of asset-based carriers. But in reality, true freight forwarders leverage their experience and expertise, providing a service that could be compared to a tour guide of remote or dangerous destinations.

In recent years, there has been a big push by shippers to select freight forwarders with technology solutions that can provide efficiencies, cost savings, and more visibility to their supply chains. Technology pop-ups pounced on the opportunity to capitalize on the call for automating the international logistics process, some perhaps a bit too naively.

While a new high-tech start-up can develop a system rather quickly since they are not bogged down with outdated systems and a book of current accounts to service, they do not necessarily provide the international business experience or knowledge of compliance to service the industry in an ever-evolving regulatory environment.

Technology that can deliver promised efficiencies and can be scaled for industrial enterprise will have a strong advantage in the marketplace. Some are concerned that these newly developed software programs could disrupt the role of the forwarder and make processes more automated, removing it completely from the supply chain. This could happen if all shippers had the same type of cargo and logistical needs; however, commerce is a bit more complicated. Shippers have complex requests, various levels of shipping volumes, and sometimes dangerous sourcing locations that would require the assistance and experience of a "tour guide." While technology offers a wide variety of benefits to shippers, it can also remove the emotional and personal connectivity that have allowed forwarders to maximize a service that many asset-based companies have neglected.

While the role of the freight forwarder will not disappear, we are embarking on a period of evolution where freight forwarders will need to be better balanced and equipped to meet the needs of existing and potential new customers by offering a blend of personalized service with updated and improved technology. Some of the larger and more experienced forwarders may develop their own software programs, while others may try to buy off-the-shelf solutions that capitalize on one need, but aren't able to truly customize. In either case, technology will continue to play a role in the forwarding industry. Shippers should be aware of how their current providers plan on investing in technology in the future. Ask the tough questions about their technology roadmap. While established forwarders will not disappear overnight, forwarders that are not prepared for the impact of new technology may find themselves being left behind, or bought out, by the competition.

FedEx to Become First All-Cargo Carrier in Cuba

FedEx will become the first all-cargo service to operate between the U.S. and Cuba. FedEx plans to begin shipping in January of 2017 using a smaller Cessna 208 on a route between Miami and Veradero, a smaller resort town about 70 miles east of Havana, five times per week. While the announcement is a step forward, it's not all smiles for the large multi-national courier.

The service is a downgrade from FedEx's initial request to the U.S. Department of Transportation to fly a much larger Boeing 757 aircraft. The downgraded service is a sign that FedEx believes the tourism industry will grow more quickly than trade. The Matanzas airport servicing Veradero is Cuba's second largest airport, handling 1.28 million passengers per year. Currently, there are no significant cargo operations and the infrastructure is underdeveloped, but that is expected to change. Fedex also plans to have additional trucking routes from Veradero to Havana, Mariel, and Santiago de Cuba.

Currently, eight U.S. airlines have been given rights to fly directly from the U.S. to Cuba, which is expected to be a highly competitive route for passenger traffic. UPS has yet to announce any plans for cargo service into Cuba.

Apparel Volume Drives Transshipment Ports in Southeast Asia

Apparel exports in combination with competitive transshipment tariffs and a 20-meter dredged access channel has turned Colombo International Container Terminal (CICT) into a key trading hub for Southeast Asian containerized cargo. Here, container growth has seen an additional 144,000 TEUs, equating to 11.5% growth year-over-year. The four countries making up the region – India, Pakistan, Sri Lanka, and Bangladesh – have projected GDP growth well above the world average with India leading the way at 8%, according to the International Monetary Fund (IMF).

"The continuing growth of the apparel industry will be key to future gateway traffic and transshipment volumes for South Asia," cited a report by Drewry, specialist research and advisory organization for the maritime sector. "First quarter container throughput rose 5.3 percent, higher than any other region, and 10 times the global average."

Southeast Asia's ports have long been overlooked, with carriers preferring to base their transshipment operations in the Middle East. Sri Lanka now handles about three quarters of transshipping cargo to the region. A boom in garment exports has added to the fueling growth; Sri Lanka is projected to hit a sales target of $8 billion by 2020 within the apparel industry. However, CICT may soon see its share of competition from its neighbor, Bangladesh, which is expected to have a deep-water container terminal by 2020.

TRANSPORTATION NEWS:

Industry News:

Peak Season Disappoints Ocean Carriers in 2016

In an effort to maintain the extra revenue stream traditionally enjoyed by carriers due to the shipping Peak Season Surcharges (PSS) in the summer and fall of each year, the carriers have resorted to idling vessels of all sizes. By idling vessels, the carriers hope to boost freight rates in a time when the market is clearly oversupplied with capacity.

The carrier alliances have banded together to suspend two large trans-Pacific loops at the start of the 2016 peak season. Traditionally the carriers suspend services at the end of peak season so rates do not deteriorate as volumes slow down. More than 300 vessels which have the capacity to carry as much as 800,000 twenty-foot-equivalent units were idled by early July in the Asian export trade. If you compare this to the previous two years, this is quadruple the normal capacity cuts during the summer season.

Slower demand and depressed rates have spelled unprofitable times for the desperate carriers and they will do whatever it takes to make their revenue streams profitable again. Ironically, carriers had placed their orders for new, larger vessels years ago and the deliveries continue to be deployed into the current oversaturated market. As a result, the rate increases attempted by the carriers about every two weeks simply erode before the next announced rate increase, and this process continues to repeat itself over and over.

ILA and Port Employers Eye Long-Term Agreements

Next month, the International Longshore and Warehouse Union (ILWU) will consider voting on whether or not to extend their current labor contract with employers at U.S. West Coast ports. With the current contract set to expire on July 1, 2019, any such move seems shockingly proactive to many industry onlookers. The ILWU and West Coast port employers are keenly aware of the rising competition from both U.S. East Coast and Canadian ports for grabbing market share. The sense of urgency seems to be a win-win situation for the industry as it watches rivalry turn into progress.

The employers, represented by the Pacific Maritime Association (PMA) feel optimistic that if a vote should pass to allow for early negotiations they will be able to start meetings as soon as September of this year. Both sides would like to see talks begin early to examine items that could in fact be extended beyond 2019, such as wages and contract terms.

With the third set of locks opening on the Panama Canal, the West Coast ports are keenly aware that the East Coast ports are eager to increase the size of the vessels they will receive. The East Coast ILWU has already reaffirmed their commitment to holding their own discussions when their contract expires on September 30, 2018. Both sides were initially looking to extend their agreement to 2025, but that doesn't seem realistic for either side to extend terms to such an extent.

Representatives from both coasts are determined to avoid the issues that plagued their large beneficial cargo owner (BCO) customers, which wreaked major havoc during the 2014-2015 holiday shipping season.

Evolving Brazilian Trade Landscape Sparks Rate Uncertainty

As Brazil continues to deal with its worst political and economic turmoil in decades, carriers are struggling to adjust to this 'new norm' and keep trade at profitable levels. During the first quarter of 2016, Brazil's GDP contracted 5.4% marking eight consecutive quarters of decline.

Carriers are especially feeling the pressure from Brazil's Asian trade; exports were down 46% with a modest increase of 5% in import trade. As a result, carriers have consolidated from 12 down to only three total Asian weekly services. U.S. imports of Brazilian goods are expected to continue to rise with a 12% increase just in the first quarter of this year, and a projected increase of 7.5% for the year. Shoe exports to the U.S. are expected to increase by 30% along with building materials and furniture as export industries leading growth (not sure how to fix?) to the U.S. this year.

These new trends have created a continual container imbalance for Brazil with export equipment across all trades experiencing shortages. Already U.S. trade is being hit with consecutive import general rate increases (GRI) throughout the second quarter of this year. Recently carriers have implemented a GRIs on August 15th of $100/20' & $200/40' with a secondary GRI already announced for September 1st at the same levels. As this trend continues, importers should be wary of upcoming increases in freight rate levels.

Hapag-Lloyd, UASC Sign Merger Deal

Hapag-Lloyd and United Arab Shipping Company signed a merger agreement that will create the world's fifth-largest container shipping line and strengthen the competitiveness of The Alliance, which consists of NYK Line, MOL, "K" line, Hanjin Shipping, Yang Ming Line and Hapag-Lloyd.

The merger, which is subject to regulatory and contractual approvals, is expected to be finalized by the end of the year. Both carriers combined will have a fleet of 237 vessels with a total capacity of around 1.6 million twenty-foot equivalent units (TEU), an annual transport volume of 10 million TEUs, and a combined revenue of approximately $12 billion.

Hapag-Lloyd and UASC will continue to operate as stand-alone companies until the merger is finalized. They will also remain in their current alliances, the G6 and Ocean Three respectively, until The Alliance is launched.

The addition of UASC to The Alliance will also help increase the market share on the trans-Pacific trade to roughly 33 percent and market share on the Asia-Europe trade will rise to around 28 percent. This merger will combine UASC's young and highly efficient fleet with Hapag's-Lloyd broad, diversified market coverage, creating internal benefits of at least $400 million.

AIRFREIGHT NEWS:

Turkish Airline Resumes U.S. Flights after Attempted Coup

The attempted military coup in Turkey raised concerns in the West about the stability and security of the country. As a result, a Notice to Airmen (NOTAM) was issued on July 16 banning airlines from flying to and from Turkey into the U.S. "All airline carriers, regardless of country of registry, are prohibited from flying into the United States from Turkey either directly or via third country," stated the U.S. Embassy in Ankara. The U.S. flight ban was originally planned to last until August 31st, but the Federal Aviation Administration (FAA) lifted all restrictions on flights between the U.S. and Turkey on July 19 after receiving assurances that Turkey's security screening processes remained compliant.

Turkish Airlines had cancelled 925 domestic and international flights on Saturday, July 16 following the failed coup of July 15. It is a reminder that airlines, however successful and well managed, are impacted by and susceptible to outside forces, including attempted coups, terrorism, economic downturns, wars, and disease outbreaks such as Ebola.

New Airline Routes Announced

Air Canada is giving Atlanta and South America a cargo boost with their new Boeing 767-300ER freighter. The schedule for the new airplane will include routes from Toronto – Mexico City – Toronto and Toronto – Atlanta – Bogota – Lima – Toronto. Freight from Asia and Europe is expected to fill the service. Air Canada is also adding a dedicated Road Feeder Service from Washington Dulles (IAD) to Toronto (YYZ) on Wednesday, Friday, and Saturdays.

Cathay Pacific, pending government approval, will add Portland, Oregon to its U.S. roster this coming November. The proposed freighter schedule of the Boeing 747-8F is Hong Kong –Anchorage – Los Angeles – Portland – Anchorage – Hong Kong on Thursdays and Saturdays. Importers of footwear, sports apparel, electronics, and even berries will benefit from this service.

After launching a weekly Dubai - Columbus freighter service last year, Emirates Sky Cargo has had to add extra flights due to the popularity of the routing just to keep up with demand. Officially, it will now run three times weekly with added export operations and staffing.

Cargolux announced a weekly freighter service to Ashgabat Turkmenistan in early July. Regional growth has inspired this addition to its schedule benefiting Azerbaijan, Turkmenistan, Novosibirsk in Russia, Georgia, Kazakhstan and Uzbekistan.

*Schedules subject to change without notice

DOMESTIC NEWS:

Does Pier Pass Need an Overhaul?

The PierPass OffPeak transport mitigation fee (TMF) was adopted in 2005 to help the problem of mass congestion in the LA/LB port system. Many industry insiders do not believe this plan has helped as much as intended; rather it has become a non-transparent program which is isolating both shippers and truckers alike.

Executive Director of the Harbor Trucking Association (HTA) Weston La Bar stated, "The program needs to be modernized to create a more efficient movement of cargo that is less burdensome for customers. There is no longer a need for a fee to incentivize cargo at one time of the day or the other." In an interview with Transport Topics, La Bar further commented that PierPass is "creating more truck trips than necessary."

FMC Chairman Mario Cordero remarked, "There is still a lot of work to be done to optimize the potential of PierPass… We are getting a lot of complaints about the amount of the fee. If you are the American shipper, you are asking yourself what am I getting for that money? The stakeholders are very frustrated with a lack of transparency."

So, what do you get for the money? According to John Cushing, PierPass President, the program "successfully mitigates freeway and neighborhood traffic while relieving congestion." Approximately 50% of containers move on each shift. As noted in a recent Transport Topics article, 35 million trucks have been moved to OffPeak since the program began. The program has reduced the number of trucks calling the terminals during the day by 88%. It also helps to fund and offset the costs of second shift operations at the terminals.

Congestion tends to peak in the late afternoon, which is when truckers start to line up to be first in the terminal without paying the fee. FMC Chairman Cordero further noted criticism of PierPass statistics, which do not count both queued and terminal time, but rather only time inside the terminal. The PierPass self-reported second quarter average terminal time was 42 minutes. La Bar noted that HTA performed their own calculation and the combined queue and terminal time was 83 minutes total. Cordero commented that, "If I am a trucker or BCO and it takes me two hours to get that container, don't tell me the turn time is 40 minutes. Waiting time doesn't do the supply chain any favors."

Both Cordero and La Bar have endorsed the port of Oakland's recent $30 terminal fee, which is being imposed on all trucking and rail container traffic, regardless of time of day. They hope that by working with both cargo owners and terminal operators in an industry "working group" that some further investigation into the true cost/benefit analysis can be brought to light. Cordero is further pushing for an outside auditor to determine the best methodology for calculating the program's finances.

Should the need arise, December would be the next time the California Legislature could meet on the issue. In the meantime, The PierPass fee is slated to increase on August 8, 2016 to $70.49/20' container and $140.98/40' container.

Serving Up Detention

As ships get larger and their respective payloads increase, so does the need for a more effective supply chain. Unfortunately, many US ports are simply not prepared to cope with the increased demand. Because of this, truckers are facing longer and longer detention times between loads. By definition, detention in reference to drayage is any time spent waiting after the normal loading or unloading time of two hours. A survey conducted between 2012 and 2013 found that truckers were detained in one out of every ten stops, waiting an average of 1.5 hours beyond the two-hour limit.

The issue of detention is not a new one, nor is it being ignored. In a recent survey of carriers / owner-operators and brokers, 84% of the carriers ranked detention as a major issue facing the industry. This stands in stark contrast to the brokers, of whom only 20% thought it was a serious issue. Unfortunately, because of the personal interests held by each group, no solution has been reached. Recognizing the impasse, the federal government has threatened to intervene if a mutually productive decision is not reached soon. Compounding the owners and the truckers' problems with detention, it is common for the carriers to simply not pay the fines and surcharges assessed to them.

FASTLANE Infrastructure Improvement Projects Listed by USDOT

Following the passage of the FAST Act by Congress in December of last year, the United States Department of Transportation (USDOT) has enumerated the intended grant recipients for the first wave of the Nationally Significant Freight and Highway Projects program. Following a 60-day review period by congressional committees, USDOT will begin to issue the awards to the 18 projects for a total of $759 million in fiscal year 2016, coming slightly under the $800 million authorized by Congress.

East Coast Ports will be major beneficiaries of the grant program, with the ports of Savannah, New York/New Jersey, Boston, and Maine set to receive grants totaling over $100 million, with the Port of Savannah and the Port of Boston engaging in the largest projects. The Port of Savannah's $126.7 million project (receiving $44 million in USDOT grant funding) focuses on the overhaul of the port's approach to intermodal container transfer, allowing rail-switching activities to occur inside the port—a large productivity chokepoint for the port. Following several years of TEU increases, the Port of Boston plans to spend $102.9 million (receiving $42 million in USDOT grant funding) to repair and improve the Paul W. Conley Terminal, including the construction of new gate facilities and the improvement of refrigerated container storage.

West Coast infrastructure projects were also listed as beneficiaries of the new grant program, with San Diego, Seattle, and the state of Oregon also receiving around $100 million in grant funding. The California DOT, in partnership with the San Diego Association of Governments, is set to receive the largest grant, with $49.3 million in USDOT grants for their $172.2 million project to construct the Otay Mesa East Port of Entry on the U.S.-Mexico border, a project intended to relieve congestion at the second busiest U.S.-Mexico border crossing, Otay Mesa Port of Entry, where trade volumes have increased by 115% since 2003. The second largest grant will go to the City of Seattle, with $45 million allocated to support the city's $140 million project to create a grade separation between a BNSF line with traffic of over 3,200 rail cars a day and a city street.

Inland infrastructure projects will also receive significant funding with the new program, with $25.7 million set to fund a $46.5 million project by the Iowa DOT to construct an intermodal facility in Cedar Rapids that will consist of integrated facilities with an intermodal container terminal, rail-to-truck transloading facility for bulk goods, and a cross-dock facility for consolidation and truckload redistribution.

New FMCSA 2-Year Test Plan to Improve Driver Safety

The Federal Motor Carrier Safety Administration is working on a new two-year program allowing certain non-preventable crashes to be removed from motor carriers' public and private safety profiles. The program was outlined on July 12 and the FMCSA is currently seeking public comments through Sep 12. A formal implementation date has not been announced.

The new program is intended to evaluate a process that could help mitigate industry concerns over the FMCSA current practice of publicly listing all carrier-reportable crashes, even when they are not at fault. Under the new program, when a crash is determined to not be preventable on a driver or carrier's part it would be removed. Industry stakeholders believe this plan is a step forward in improving the current CSA score system.

The FMCSA announced the new crash accountability program would begin when a carrier files for a data review backed by a variety of documentation, such as law enforcement and insurance reports, proof of a conviction of the party causing the crash and others. Currently the Crash Indicator BASIC percentiles are available only to motor carriers, as well as to FMCSA and law enforcement users. When an accident is determined to be non-preventable, it still will be listed on the agency's public website, but a note will be added explaining details of the incident.

Female Drivers the Future of Drayage?

Over the past few years there has been a consistent driver shortage in many main US ports, and while there is still a shortage there has been an uptick in the number of drivers answering the call to help. The solution: actively recruiting more female drivers. In the last two years, the industry has seen a consistent increase in the number of female drivers working in the ports. Evidence of the growing numbers of female drivers can be seen in the first women-only restroom which recently opened at the Port of New York and New Jersey, making life much more comfortable for the female drivers who work at the port (prior to this they were all either men only or mixed).

While the East Coast ports are currently attracting more female drivers, some companies on the West Coast are also seeing a growing community of women joining the drayage trucking industry, albeit at a slower rate. Weston Labar, the executive director of the Harbor Trucking Association, pointed out that while women are still a minority portion of the drayage community in the L.A., Oakland, and Long Beach regions, drayage companies are looking to them in their search for new, younger, more diverse drivers to fill the need.

SHAPIRO NEWS:

Shapiro Celebrates 101st Anniversary with an Annual Supply Chain Seminar

In celebration of 101 years serving the international logistics community, Shapiro hosted a Summer Supply Chain Seminar to commemorate the occasion.

Shapiro, a leader in global transportation and regulatory compliance, celebrated its 101st year of serving the logistics community with customers, vendors, employees by hosting a Summer Supply Chain Seminar. Panels of industry experts covered topics covering some of the facing logistics and Customs brokerage today. Freight panel discussions covered Vessel Sharing Agreements (VSA), SOLAS verified gross mass mandate, Panama Canal impact, and the larger economic impact on the market. Covered in the Cost of Regulatory Non-Compliance, panelists discussed Automated Commercial Environment (ACE), CBP's Centers of Excellence and Expertise, and changes to Anti-dumping (AD) and Countervailing (CV) duties. Shapiro's Domestic Evolution debate covered Compliance, Safety, Accountability (CSA) Scoring, Electronic Logging Devices (ELDs), the changing labor environment, and never-ending chassis challenges. An added Discovering the Next Frontier panel was also included to address a rising market segment of eCommerce importing entrepreneurs that utilize digital marketplaces such as Amazon, eBay, and Walmart to fulfill orders to their clients. The segment featured key panelists from currency experts, to marketplace diversification, to the role of automated technology in eCommerce supply chains.

Angela Czajkowski, Shapiro's Director of Supply Chain and moderator of the debate, noted "I find tremendous value in panels like ours as they enable us to cover a broad range of topics in a limited time frame. Rather than 3 hours on one meaty subject, we give the room a chance to hear a bit about a variety of hot topics directly from the experts. We've received wonderful support from various individuals and organizations who have participated in the panels, each bringing unique insight and perspective. I'm really pleased with the outcome year after year; I'm already thinking up sessions for the 2017 event."

Following the seminar, the Company shuttled employees and attendees to the Propeller Club's annual Crab Feast at Conrad Ruth's Villa in Middle River, MD. The event, which attracts thousands, is arguably the most popular industry gathering of the year. The feast is a fundraiser for the Propeller Club, enabling the group to make significant contributions to various nonprofit maritime organizations.

Shapiro would like to thank everyone who joined them and reached out during this remarkable time in the Company's history and future. For more information about Shapiro, please visit our website or contact us!

Employee of the Month

As previously featured in Shap Talk, Shapiro has been sharing with you the names of employees who have been recognized for their exceptional efforts and contributions to our Company. At Shapiro, we continually work to develop, challenge, and inspire all of our employees to grow individually and with the Company. This month, we would like to recognize Melinda King, Import Supervisor in Baltimore for her outstanding performance and contributions.

We encourage you to provide us with employee feedback! Please email us at hr@shapiro.com.