SHAP TALK

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In this issue:

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TRADE NEWS:

AQUA Program puts Customs Clearance in the Fast Lane

U.S. Customs and Border Protection's (CBP) pilot program, Advanced Qualified Unlading Approval (AQUA), allows ocean carriers that participate in the Customs-Trade Partnership Against Terrorism (C-TPAT) certification and are compliant with importer security filing (ISF) requirements to pre-clear Customs 12 hours prior to estimated arrival. Vessels can apply 24 hours before arriving at one of the pilot participating ports and Customs is obligated to respond within 12 hours. The AQUA program, which launched in late 2015, allows vessels that have pre-cleared to unload cargo immediately upon arrival with some carrier cost-saving on fuel and docking fees.

Sea carriers must meet the advanced unlading requirements listed below prior to being granted permission by CBP to unlade their cargo:

1. Validated and in good standing partner in the C-TPAT program (sea carriers)
2. Compliant with importer security filing requirements
3. Compliant with agriculture requirements to include all required certificates
4. Crewmembers must remain onboard until formal CBP processing
5. All containers must be delivered directly to a C-TPAT terminal operator
6. Port director pre-approval

The ports of New Orleans, Oakland, Baltimore, and the Everglades were the first to participate in the pilot, and its success is leading to expansion.

The AQUA program will be implemented in the following phases:

Phase II - Sept. 15, 2016

Additional six ports added – Long Beach, Los Angeles, Newark, Savannah, Miami and Seattle / Tacoma

Phase III - December 15, 2016

Additional ten ports added – Charleston, Houston, Jacksonville, Honolulu, Norfolk, Philadelphia, Wilmington (DE), Wilmington (NC), Boston, and San Juan

Final - February 2017

Advanced unlading is implemented CBP-wide to all remaining seaports.

To request advanced unlading privileges, vessel agents must complete and submit an Application-Permit-Special-License-Unlading-Overtime Services (CBP Form 3171) with the Notice of Arrival for **every unlading at each port.**

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Duty Refunds on FDA Refused Goods

On September 19th U.S. Customs and Border Protection's (CBP) Los Angeles field office issued a bulletin related to the applicability of CBP issued duties and fees refunds on Food and Drug Administration (FDA) refused admissions into the U.S.

CBP stated that all FDA regulated goods are generally considered restricted and not necessarily subject to refunds as described in 19 USC 1558 which states:

The prohibition of remissions, abatements, refunds, or drawback of duties after goods have been released from CBP custody unless drawback is permitted by statute, articles admitted under bond are destroyed within the bonded period and proof of destruction is provided to CBP, or prohibited articles that are regularly entered are subsequently destroyed or exported because of a U.S. law.

CBP will not automatically issue refunds on refused products, nor will they accept entry cancellation requests on entries where duties have been paid that have subsequently been exported or destroyed. CBP will consider cancellation requests on entries where no duties or fees have been submitted.

To be subject to a refund under 19 USC 1558, goods must not be able to be reconditioned to meet U.S. standards. Refunds will not be considered for simply opting not to submit a reconditioning request to the FDA.

National Background Investigations Bureau Established

Beginning October 1, 2016, the newly established National Background Investigations Bureau (NBIB) absorbs the existing mission, functions, and personnel of the Office of Personnel Management's (OPM) Federal Investigative Services (FIS) and seeks to implement a number of changes designed to improve the background investigations process.

Earlier this year, the administration announced a series of policy decisions to streamline and enhance how the federal government conducts background investigations. A central component in this effort is the establishment of the NBIB, a new semi-autonomous entity within the OPM. NBIB will be the primary provider of effective, efficient, and secure background investigations for the Federal Government. NBIB is designed with an enhanced focus on national security, customer service, and continuous process improvement to meet this critical government-wide need now and in the future.

The administration announced the appointment of Charles S. Phalen, Jr. as NBIB's first director. Mr. Phalen brings with him a wealth of experience and security expertise from the federal government and the private sector. As Director of Security for the Central Intelligence Agency (CIA) from 2007 to 2011, he led the CIA's world-wide security program, responsible for investigating and clearing agency personnel and protecting the workforce and agency facilities. From 2011 until April of 2016, Mr. Phalen served as Vice President of Corporate Security at the Northrop Grumman Corporation.

Please see the full NBIB Narrative Factsheet for full information.

U.S. Customs Promotes the Trade Facilitation and Trade Enforcement Act of 2015

The Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA) was signed into law P.L. 114-125 on February 24, 2016. It is the first comprehensive authorization of U.S. Customs and Border Protection (CBP) since the Department of Homeland Security was created in 2003, with the overall objective of ensuring a fair and competitive trade environment.

The TFTEA was designed to help American workers and American businesses compete fairly with the rest of the world. CBP has dedicated a web page for citizens to find out more about the program.

Some of the highlights include:

- *TFTEA's impact on CBP and the trade community*
- *Official White House video*
- *Statements by CBP Commissioner, DHS Secretary and Press Secretary*
- *Press release: CBP Commences Online Recordation of Unregistered Copyrights for Border*

Enforcement in Accordance with TFTEA

- *Fact sheet: Forced Labor - Importer Due Diligence*
- *Webpage: The Enforce and Protect Act of 2015 (EAPA)*
- *Press release: CBP Establishes New Procedures to Investigate Trade Related Allegations*
- *TFTEA - Increase in the De Minimis Value Exemption*
- *FTEA - Preventing Forced Labor Imports*

Visit the U.S. Customs website to learn about TFTEA implementation updates.

Notice of Arrival for Importations of Pesticides and Pesticidal Devices

On September 30, 2016, Customs and Border Protection (CBP) published an interim final rule to amend the regulations on the importation of pesticides and pesticidal devices into the United States subject to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

When a pesticide or device is to be imported into the United States, the importer of record or its agent must submit notice, prior to arrival, as to where the merchandise will be entered. The Environmental Protection Agency (EPA) reviews and evaluates the information presented to make a determination on the disposition of the shipment upon arrival.

The EPA may request additional information to make the determination and inform CBP of the action to be taken which may include delay or refusal of admission of imports that appear, from examination, to be adulterated, misbranded, or otherwise violate the provisions of the FIFRA or are injurious to human health or the environment.

CBP is amending the regulations to permit the option of filing an electronic alternative with the entry documentation or paper format with EPA 'prior to arrival' of the shipment at the time of entry. In addition, CBP is amending regulations to update an EPA regulatory citation and to confirm to EPA regulations that allow certain pesticides to be imported without registration.

China's Ministry of Agriculture Withdraws Ban on U.S. Beef

China's Ministry of Agriculture convened on September 22nd and made the decision to waive their 13-year ban on U.S. beef imports. The ban was originally instituted in 2003 as a preventative measure following the emergence of mad cow disease in the U.S. The lifting of the ban is due in no small part to the country's changing economy, which has established a wealthier middle class that domestic beef stock cannot adequately supply.

The U.S. currently exports nearly $6.3 billion worth of beef annually – with Mexico, Japan, Korea and Canada being the largest importers – and the lifting of the Chinese ban will provide U.S. exporters the opportunity to sell to the world's second largest beef importer, which increased its consumption tenfold between 2010 and 2015.

Despite lifting the ban, the Chinese Ministry of Agriculture has still asserted their desire to only import the safest cuts of beef by mandating that all imported beef from the U.S. be no older than 30 months of age. Prior to U.S. beef being greeted with open arms into the Chinese market, the respective governments must meet and agree on various protocols, all of which must be fully tested before being implemented in a live setting. Analysts expect U.S. beef exporters to begin shipping to China prior to the end of the year.

European Luxury Imports Contribute to Import Growth

Despite a slow start to the summer peak season at U.S. East Coast ports due to inordinately high 2015 inventories, a swell of European luxury imports has resulted in increased shipping volumes. Customs records have indicated that the ports of New York/New Jersey, Savannah and Norfolk have all seen considerable increases in imports of European wine, furniture, tiles, mineral water and perfume. The increase in luxury purchases is undeniably the result of heightened consumer confidence resulting from a stronger U.S. dollar.

The port of New York/New Jersey imported 304,274 twenty foot equivalent units (TEU's) in August, which is a 6.5% increase from the previous year, and it is believed that over 20% of this growth can be attributed to European luxury imports (i.e. wine, furniture etc.). New York terminals reported an increase of 961 TEU's of Italian wine alone in August of this year compared to August of 2015. These August increases were also seen at the Port of Savannah, which is up 7.1% when compared to last year, and the Port of Norfolk, which is up 9.1% when compared to last year.

Though imports of European luxury goods have aided in growing volumes during a slower season, analysts believe Asian imports of toys and consumer merchandise that coincide with the holiday season will be the real savior of a slower peak season.

Transportation News

Industry News:

Hanjin Bankruptcy Leads to Current Rate Stability in Transpac Market

While shippers are still dealing with the effects from the Hanjin bankruptcy, the Trans-Pacific east bound rate market appears to be somewhat stabilizing. Shortly after the Hanjin collapse, carriers were able to capitalize on the abrupt squeeze in capacity caused by withdrawal of key services from the market by passing rate increases around the same time as peak season. However, the need to deploy extra loaders coupled with weak demand caused those increases to be short lived. Recent attempts by carriers to pass mid-September and early October increases have both failed to take hold.

As we sail into October, continued overcapacity has put a question mark on another announced October 15th GRI. Despite the upcoming National Day Holiday in China, which is expected to create overbooked vessels and a temporary decrease in capacity, the current rate levels are in a more sustainable range for the ocean carriers. Backed by weak demand, these current levels may just be what we see throughout what is expected to be a less volatile 4th quarter.

Labor Unrest Worsens In Brazil

Ongoing labor unrest at the port of Santos has now been compounded with expanded efforts by customs officials as well as dock workers at Brazil's largest port. Brazilian customs workers have been on strike since before last month's Olympics with scheduled work slowdowns to demand wage increases of over 10%. Customs officials have stepped up these efforts with an increase in slowdowns throughout the week, including refusal to use computers three days a week. Now, dock workers have joined customs workers in disrupting Santos port operations by blocking terminals.

Dock workers' unrest came to a boiling point over ongoing labor negotiations after they accused terminal operators of using foreign workers in violation of their current contract. Both groups are demanding higher wages as well as additional benefits as the Brazilian economy is hit with hyper-inflation, projected to reach over 10% this year. The ongoing labor unrest is expected to cost Brazilian shippers over $8 million with costs likely to increase as labor unrest continues to worsen. Regional labor courts are expected to make a ruling at the beginning of October to hopefully return port operations to normal. Until then, shippers will bear the burden of delays at Brazil's largest ports.

Ocean Freight News:

Overcapacity May Be New Normal or Worse

In the shipping business, 2016 may long be remembered as the year of overcapacity by the ocean carriers and the customers they serve. The carriers have suddenly found themselves wondering how, despite scrapping a collective half million TEUs in this past year, it still resulted in more than 1.5 million TEUs being idled due to lack of demand. This puts 2 million TEUs out of the game, yet the shortfall in demand still remains at about 10 percent of the global fleet!

It just so happens that 2016 was also the year with the slowest growth in container ship capacity at 2.9 percent. It is apparent now that the feverish pace of shipbuilding in previous years is the culprit as carriers are left to wonder how they could have miscalculated demand to such a great extent.

Hanjin's recent collapse removed around 600,000 TEUs from the industry capacity, but much of that capacity immediately found new homes with carriers that Hanjin shared vessels with.

The result of this capacity conundrum? Carriers struggling to make the profits they need to survive by rate increases that are short-lived. The recent rate increase caused by the exit of Hanjin was nowhere near what the carriers hoped, with carriers still showing excess capacity.

Carriers refuse to believe that overcapacity is the "new normal" and they fear more situations like we have just seen with Hanjin. Everyone is now asking how long the industry will feel this pain of little to no profits, and how long can the carriers endure? Importers and exporters must ask themselves: When will the next disruption in my supply chain occur?

Export Surge and Bumper AG Forecast Buoy Hopes for Trans-Pacific Trade

2016 has been a less than encouraging year for companies involved in international trade, with container vessel overcapacity and weak import demand extending from early spring and through the peak season and a slump in U.S. exports setting low expectations for the year. This pessimism might be coming to an end. According to West Coast export container volumes released for fall, a renewed vigor in export volumes could turn the tables. All West Coast ports posted gains from 2015, with containerized exports increasing by 7 percent in Oakland, 14.8 percent in Long Beach, 6.3 percent in Los Angeles, and 15.1 percent in Seattle/Tacoma.

While export specialists have advised caution with the numbers, noting that West Coast ports were still addressing the congestion that resulted from longshoreman contract negotiations in August of 2015, a bumper agricultural crop this year is also expected to boost American exports over the next few months. West Coast export volumes from the Pacific Maritime Association (PMA) suggest that the confluence of these two factors is improving long-weakened export growth, with July numbers posting the strongest export volumes since 2013. While softening Asian economies and a strong dollar could eventually hinder this growth, U.S. export volumes are still expected to increase through next spring before stabilizing during the summer.

Shippers Fear Impact of Carrier Bankruptcies as Carrier Alliances Grow

As shippers muddle through the supply chain mess that was the bankruptcy of Hanjin, logistics professionals across the industry are struggling to make sense of the disruption and to determine how to mitigate carrier risks in the future. The primary source of concern continues to be the tangled network of alliances and vessel sharing agreements that have grown popular with carriers in the past few years, but also allowed the contagion of the Hanjin bankruptcy to spread across the global shipping industry, as containers from Hanjin partners continue to sit on Hanjin vessels.

Unfortunately, it seems likely that this situation could repeat itself, as other carriers aligned with some of the largest steamship line alliances have displayed signs of financial weakness. The Ocean Alliance, for example, includes top performers in 2015, such as the Orient Overseas Container Line and CMA CGM, but it also includes laggards such as Evergreen and China Cosco Shipping Lines, the latter of which recorded a stunning $1.08 billion first-half loss for 2016. THE Alliance, meanwhile, includes the three primary Japanese lines, two of which, MOL and "K" Line, posted 2015 losses of $1.5 billion and $470 million, respectively. Research from Drewry predicts these losses will continue as the industry struggles with overcapacity and tepid demand, suggesting that more upheaval is to come.

Given this environment, shippers are best off evaluating carriers by a more holistic measure to include evaluation of quality of service, financial strength, and financial leverage, rather than cost alone. While it may be impossible to disassociate one's logistics network from a risky carrier, shippers can still work to ensure that their partner carriers and associated alliances best support their business goals.

Airfreight News:

The Drone Buzz Grows Louder

On August 29th the Small Unmanned Aircraft (UAS) Rule PART 107, proposed earlier this year, went into effect. An official summary notice was posted by the FAA in June.

Some of the guidelines outlined state that a drone must weigh less than 55 lbs., stay in visual line of sight of the remote pilot, daylight only operation, maximum height of 400 feet, restricted operation over densely populated areas, and a "See and Avoid" rule. In addition to many more detailed restrictions, the operator is required to register and hold a remote pilot airman certificate or be under the direct supervision of a certificate holder and provide a way for companies to apply for waivers of the restrictions if they can prove they can operate safely.

Many different applications are being tested, including small package delivery, medical aid to remote locations, transportation infrastructure inspection, real estate surveys, and our personal favorite: burrito drops. The rules will provide structure and most importantly a basis for safety and accountability in this emerging technology.

Air Carriers Embargo Personal Samsung Note 7 Handsets

In February, the International Civil Aviation Organization (ICAO), a United Nations' agency, banned lithium-ion batteries from checked luggage following concerns from pilots and plane makers that they are a fire risk. As a recall for safety conditions, the Galaxy Note 7 by Samsung is prohibited for air transport in compliance with the Special Provision A154 of the current regulation: Lithium batteries identified by the manufacturer as being defective for safety reasons, or that have been damaged, that have the potential of producing a dangerous evolution of heat, fire or short circuit are forbidden for transport (e.g. those being returned to the manufacturer for safety reasons).

After several reported cases of fire in the batteries of the Galaxy Note causing handsets to explode during charging, Samsung has recalled 2.5 million units already sold. Several airlines around the world have since warned passengers against operating, charging and carrying this device on flights.

Cargo carriers, including Air Canada Cargo and Finnair Cargo, have joined passenger carriers in banning any cargo or mail shipments containing these Samsung Galaxy Note 7 devices. This embargo covers new shipments to distributors and possible return shipments from customers.

Domestic News:

U.S. Port Chassis Problems Worsen As a Result of Hanjin Bankruptcy

Hanjin Shipping's bankruptcy filing has created and brought to light the inefficiencies of the chassis market in the U.S. The latest developments have left thousands of empty Hanjin containers sitting on chassis, taking them out of service, when and where they are needed the most.

For almost 50 years the shipping lines controlled the chassis business until Maersk transferred its chassis ownership to Direct ChassisLink in 2009. Since then, most shipping lines have left their chassis business behind. In 2015, three of the most influential chassis leasing companies, DCLI, Flexi-Van and TRAC Intermodal formed a "pool of pools" in Southern California. Although this new chassis pool has eliminated some costly and wasteful practices, the new chassis system still has a lot to improve.

One problem the system is facing is the pockets of surplus and deficit chassis throughout the Los Angeles-Long Beach terminals that require extra equipment to reposition. Another big issue is the rising number of defective, or bad-order chassis, in the port. Truckers and terminal operators have criticized the major intermodal equipment providers for failing to replace their fleets quickly enough to avoid excessive amounts of time under repair.

The Hanjin bankruptcy filing only made matters worse as many terminals stopped accepting empty Hanjin containers after the August 31st bankruptcy filing due to the uncertainty over who would pay them to process the empties. The result is thousands of chassis holding empty Hanjin containers scattered across the country, removing those chassis from circulation and aggravating the existing chassis shortage.

Oakland International Container Terminal and the port of Oakland are working on solutions to the problem. They are allowing empty containers to be returned to the Roundhouse property. The empties will be lifted from the chassis and stored, allowing truckers to immediately pull off with the bare the chassis and return them to service. Other ports, including Long Beach and Los Angeles have identified areas where the empties can be returned.

As Ship Sizes Increase, Terminal Fees Will Too

It's no surprise that the mega-vessels being introduced into the world of logistics are having an impact on importers, suppliers, ports, carriers and every other aspect of a company's supply chain, but we are now seeing some of the negative effects that come with these mammoth cargo ships.

From the carrier perspective, it makes sense to increase capacity on each vessel in order to transport more cargo and lower operating cost, but terminals are starting to feel the pain of unloading and loading the larger vessels with similar turnaround times as smaller cargo ships. Infrastructure is one of the biggest concerns and terminals across America will need to innovate and utilize more technology to keep up with the ever-increasing number of containers arriving at port.

The ports of New York and Los Angeles/Long Beach are feeling the pain more than other ports across the U.S. as the cargo surges are much more prevalent at these two major hubs of international logistics. As the amount of cargo that arrives increases per vessel, terminals and ports are scrambling to find ways to increase efficiency and productivity. This means that terminals need to use more cranes per ship, hire more workers to operate the vessel, and increase the use of technology to keep up with the increase in volume of containers arriving.

Although there will be growing pains as ports and terminals adjust to the higher volume of containers to handle, the issue should be addressed in the short-term since the colossal vessels have no intentions of shrinking and will cause major problems if solutions are not implemented.

Truckers Divided Over Use of Electronic Logging Devices

Beginning December 2017, all trucking companies are required to use electronic logging devices (ELDs) to track driver activity. This is one of three major truck regulatory initiatives started in the Bush administration and continued into the current presidency. The ELD mandate, combined with the 2013 driver hours-of-service changes and the Compliance, Safety, Accountability (CSA) program, represents a huge shift in the federal truck safety regime.

In a recent survey by third-party logistics provider Transplace, there was a definite difference of opinion among larger carriers and their smaller counterparts. The survey, which included over 2000 trucking companies' responses, revealed that 81 percent of companies with more than 250 trucks reported they had already achieved full implementation of ELDs. Those without full implementation reported some type of activity was already underway. Smaller carriers, however, appeared to be slower to start moving towards implementation; only 62 percent reported having begun or completed the process.

There have been instances of trucking companies losing good, experienced drivers due to the ELD debate. Many do not want to trade in their paper logs for electronic versions. Ben Cubitt, Sr. VP of consulting and engineering at Transplace, is not expecting a mass exodus of drivers. "Drivers are drivers for a reason," he told the JOC. "It's their lifestyle and they like it. If a driver goes to another carrier, that's not taking capacity out of the network. If a significant number of drivers leave the industry, that's a deeper concern."

Some drayage carriers aren't expecting the measure to survive, so there will be no need to implement at all. Transplace received the comment from one trucking executive that, "I will sell out first." Some additional comments included, "We have no intention of ever doing it,"; "We're holding off on complete implementation due to driver loss,"; or "We're waiting until the last minute because of all the lawsuits in place against the FMCSA."

The Federal Motor Carrier Safety Administration (FMCSA) is being sued by the Owner-Operator Independent Driver Association (OOIDA), which claims that the final rule violates U.S. constitutional privacy rights and doesn't deliver what Congress required in the 2012 transportation spending law. Many members of the OOIDA believe that the ELD mandate will decrease their available capacity by reducing hours of service violations and more strictly following the rules. Among survey participants, 56 percent of large fleets expect their utilization of trucks and drivers to decrease, with 14 percent expecting a drop of more than 10 percent, while 18 percent of the larger fleet expect just a 4 to 5 percent decrease. Among smaller carriers, a larger percentage (30) expected a drop of 10 percent or more.

Some carriers are embracing the new ELDs and all they offer. For example, 21.1 percent of respondents in Transplace's survey are anticipating better utilization of drivers and equipment once the ELDs are installed and drivers are trained to use them. In addition, 32.7 percent envision better monitoring of equipment to improve service, and 67.3 percent of those with ELDs already installed reported a significant reduction in hours-of-service and logging violations.

Another consideration as we get closer to the December 18, 2017 compliance date is what role the shippers will play in truckers' decision processes. Gaining more business is the ultimate goal for these carriers and, without a plan to implement, they may get left out of the bidding process altogether.

New Terminal Trucking Appointment System Implemented

Technology is rapidly changing the way consumers purchase, how companies manage their supply chains, and how the logistics industry operates. One day there may be no need for the human element in regards to container handling at ports, but until that happens, terminals around the U.S. are finding ways to increase efficiency and productivity.

The Ports of New York and New Jersey are the most recent ports to implement new systems to help reduce truck waiting time and turnaround time. Global Container Terminal in Bayonne will require truckers to make an appointment to pick up or deliver containers on weekdays between 6 A.M. and 8 A.M. Initially, truckers will be able to arrive without an appointment after the newly implemented appointment times, but it won't be long before the required appointment window will increase.

The new system is scheduled to roll out on October 13th and many believe that it will help to alleviate the unpredictable congestion currently faced by truckers and terminal operators. This is a great indicator for the much needed port improvements as mega-vessels continue to bring in more and more containers. Other terminals should begin to adopt measures similar to the GCT terminal as port efficiency and productivity are becoming a high priority for America's supply chain infrastructure.

Virginia Port Aims to Grab Market Share with Extensive Infrastructure Improvement

As we have seen a trend towards mega shipping vessels and the expansion of the Panama Canal that can now handle vessels up to 14,000 TEU's, it is critical for ports to alleviate congestion and efficiently move cargo away from the ports. In order to effectively handle this volume, ports need to utilize all road, rail and waterways.

The Port of Virginia is hoping to grab U.S. containerized market share by attracting new and more Midwest shippers to its intermodal rail connections while also improving their processes. Intermodal rail is the key to the Midwest and there are two Class I railroads serving the port via on-dock intermodal container transfer facilities at Virginia International Gateway and Norfolk International Terminals. While it currently takes 36 hours to move cargo from the vessel to the rail in Virginia, the dwell time in Savannah is only 24 hours. The port wants to improve these dwell times because with investments being made by rail partners to increase velocity to the Midwest market, Virginia believes they can be a gateway with their deep water ports and facilities.

In addition, for shippers using the one container terminal that is not serviced by either Class I railroad, the port has taken the lead and is now tracking and sharing data on what they are calling expanded turnaround times. Truck drivers can now know how much time they will spend both on terminal and outside the gates. This data will help the port keep these turnaround times down, and they can also use the data to make strategic decisions about volume and when to have extended gate hours to help alleviate congestion.

The Port of Virginia is also advertising that they can move cargo from Norfolk to Richmond in 12 hours via a barge service that runs three to four times a week utilizing a 125-TEU barge.

While improving processes and utilizing multiple access points to receive and distribute cargo, the Port of Virginia is hoping to gain the attention of new customers and it appears to be working. Just this past August, the port handled a record 235,511 TEU's, and this was the seventh straight month where container volume exceed 210,000 TEU's. When comparing the numbers year-to-date with 2015, container volume grew 2 percent, rail units were up 11 percent, Virginia Inland Port volumes were up 10 percent and the Richmond Marine Terminal was up 27 percent in terms of volume.

Also, German retailers Aldi and Lidi have announced that they will invest and open regional headquarters and large distribution centers just outside of Richmond. The decision for this location was influenced by the ability to utilize the James River barge service.

The Port of Virginia could be an attractive port for many Midwest shippers and it appears they are making the right investments in infrastructure and people. In 2014, the port's operating arm lost $16.5 million, which was the sixth consecutive year with a loss. In contrast, the 2015 operating profit was $13.6 million, and $4.76 million in 2016.

SHAPIRO NEWS:

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 Jamie Frampton, Import Manager in Baltimore for her outstanding performance and contributions.

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