Samuel Shapiro & Company, Inc.
Est. 1915

"SHAP" TALK

March 2012 Issue No. 119

In this issue:

TRADE NEWS

U.S.-Korea Free Trade Agreement to Take Effect March 15th

The U.S. Trade Representative (USTR) has announced that the U.S. Korea Free Trade Agreement will enter into force on March 15th. The legislation implementing the Korea FTA was signed in October 2011. Korea is the world's 12th largest economy and represents the largest trading partner outside of NAFTA to have a free trade agreement with the United States.

The USTR stated that almost 80 percent of U.S. exports of industrial products and nearly two thirds of U.S. exports of agricultural products to Korea will become duty free on March 15th.

Not all U.S. imports from Korea will be duty free effective March 15th. Some products will receive duty free status immediately, while others will see duty reductions in stages anywhere from two to fifteen years, depending on the commodity.

Are you ready? Free trade agreements have strict requirements for origin to claim duty free or reduced duty status. Start working with your suppliers now to ensure you will have the adequate documentation to prove origin to claim the Korea FTA. Compliance with free trade agreements is a top trade priority for Customs, as are revenue collections and textiles. Free trade agreements tend to be textile-centric. Customs has found compliance with certain FTA's to be fairly low during audits, particularly for textiles claimed under the FTA's, so be sure you can prove that your commodities actually qualify for beneficial treatment under the Korea FTA before you start making claims.

In the meantime, we will need to wait for Customs to publish interim regulations for the Korea FTA, not to mention updating programming for ABI for claims to be filed. The Harmonized Tariff will also need to be amended to include this new FTA.

The Colombia FTA and Panama FTA were also signed into law in October 2011. Those FTA's will not enter into force until each country can demonstrate it is in compliance with its obligations under the agreements.

The USTR announcement may be found here:
http://www.ustr.gov/about-us/press-office/press-releases/2012/february/united-states-korea-set-date-entry-force-us-korea

Customs Proposes Changes to In-Bond Process

The long awaited proposed changes to the in-bond process were published in the Federal Register on February 22, 2012. Comments are being accepted through April 23, 2012.

The in-bond concept hearkens back to colonial days when goods were permitted to move through states without payment of state taxes or entrance and exit fees. The last major revision of the in-bond regulations was in the 1930's when most in-bonds moved via vessel. As U.S. Customs and Border Protection (CBP) continues to roll out modules for its new ACE processing system, they want to be sure the in-bond process is modernized to complement the ACE M1 function. In-bond shipments represent 30 to 60 percent of all imports moving through U.S. ports.

The proposed in-bond regulations will enhance CBP's ability to regulate and track in-bond merchandise and to ensure the in-bond goods are properly entered and duties paid or that the in-bond cargo is exported. The proposed changes include:

- Elimination of the paper in-bond application CBP Form 7512
- Requirement for electronic filing by carriers or their agents for in-bond applications
- Requirement for additional information on the in-bond application including the six digit Harmonized Tariff number, if available, and information relevant to the safety and security of the in-bond merchandise
- Establishment of a 30 day maximum timeframe to transport in-bond merchandise between U.S. ports for all mode of transportation except pipeline
- Requirement for carriers to electronically request permission from CBP before diverting the in-bond merchandise from its intended destination port to another port. Under the proposed changes, diversion to another port will not extend the 30 day timeframe. Movement of diverted merchandise must be completed within the original 30 day period.
- Requirement for carriers to report the arrival and location of the in-bond merchandise within 24 hours of arrival at the port of destination or port of export
- Restructuring of the in-bond regulations so that they are more logical and better track the in-bond process

Customs is not proposing any changes to the in-bond procedures in the air commerce regulations, except to change certain time periods to conform to the rest of proposed changes.

The Federal Register notice may be found at:
http://www.gpo.gov/fdsys/pkg/FR-2012-02-22/pdf/2012-2819.pdf

CBP Posts Updated Version of Bonded Warehouse Manual

On February 6, 2012, U.S. Customs & Border Protection (CBP) posted a comprehensive guide to understanding bonded warehouse operations for use by importers, warehouse operators, and other trade partners entitled “Bonded Warehouse Manual for Customs and Border Protection Officers and Bonded Warehouse Proprietors.” The last update to the manual was in 1990.

The 15 part 180 page publication includes the following sections:

- Introduction, Purpose and Interpretations
- Supervision of Bonded Warehouses, Proprietors’ Responsibilities and Customs Fees
- Bonded Warehouse Classes, Construction, Establishment and Charges
- Entry and Deposit in Bonded Warehouse
- Proprietor Recordkeeping and Reporting Requirements
- Manipulation, Construction and Storage Conditions
- Withdrawal and Removal from Bonded Warehouse
- Reporting, Casualty Loss, and Abandonment
- Liquidation of Bonded Warehouse Entries
- Class 11 Warehouse - General Order Merchandise
- Alcohol and Alcoholic Beverages
- Duty Free Stores – Class 9
- Bonded Manufacturing Warehouses - Class 6
- Class 7 Warehouses: Smelting and Refining
- Bonds and Liquidated Damages
- Enforcement Actions

CBP utilized various resources to update the manual such as binding rulings, CBP regulations, and other government agency regulations and directives.

Most of the manual deals with bonded warehouse operations, but also included is information on container freight stations (CFS) and centralized examination stations (CES).

The manual in its entirety can be viewed at:
http://www.cbp.gov/linkhandler/cgov/trade/cargo_security/cargo_control/bonded_warehouse.ctt/bonded_warehouse.pdf

Suggested additions, deletions, and/or corrections to the manual can be sent to: US Customs & Border Protection, 1300 Pennsylvania Ave. NW, Washington, DC 20229 Attn: Cargo Security & Control Office of Field Operations

Container Seal Update

On February 7, 2012, U.S. Customs and Border Protection (CBP) announced to its Customs-Trade Partnership Against Terrorism (C-TPAT) partners that new high security container seals meeting ISO 17712:2010 standards would be required effective March 1, 2012, once supplies of seals meeting the ISO PAS 17712 standards had been exhausted.

Then on February 15, 2012, CBP issued a clarifying message to C-TPAT partners that CBP had learned the tamper evidence element of the new seal requirements (Clause 6) could not be met and thus implementation of the new standard by March 1, 2012 was not viable.

Customs states that implementation of the new ISO 17712:2010 standard for container seals will be delayed until the C-TPAT office receives definitive information that ISO has resolved the issue. C-TPAT partners will be advised at that time.

The C-TPAT partner announcement does say that the ISO 17712:2010 (18mm) certification for high security seals is attainable without the Clause 6 testing portion of the standard. CBP is encouraging C-TPAT members to buy seals meeting this part of the standard, and to have documentation to confirm the seals comply with the current testing requirements for ISO 17712:2010 (18mm) certification. You may continue to use the high security seals you have on hand until those supplies are exhausted.

Customs Proposes Internet Publication of Seizure and Forfeiture Notices

In a Federal Register notice dated February 8, 2012, U.S. Customs and Border Protection (CBP) is proposing to publish notices of seizure and intent to forfeit on the Department of Justice (DOJ) forfeiture website, www.forfeiture.gov. This change is intended to decrease administrative costs for CBP and to improve the effectiveness of notice procedures as internet publication would reach a broader audience and provide access to more parties who may have an interest in the seized property. Comments on this proposal are due by April 9, 2012.

The law requires Customs to publish notice of seizure and intent to forfeit for at least three successive weeks for seized property valued over $5,000 (which accounts for 90 percent of seizures). CBP must also issue written notice of the seizure and forfeiture to each party who appears to have an interest in the seized property. The published notices must appear in the newspaper circulated at the Customs port and in the judicial district where CBP seized the property. For seizures valued at $5,000 or less, the notice must be posted in a conspicuous place accessible to the public at the customhouse nearest the place of seizure.

I don't know about you, but most people don't hang out at the local customhouse reading seizure notices. Newspapers are a dying breed, so this proposed change is long overdue. Moreover, sometimes the cost of advertising a seizure notice in the newspaper exceeds the value of the seized property. In 2010, Customs spent over $1 million advertising more than 6,000 items. An internet posting will be virtually cost free to the government.

The proposed rule states that seizure and forfeiture notices for property appraised in excess of $5,000 will be posted on the DOJ website for 30 consecutive days. Customs will still have the discretion to publish notices in the newspaper. Notices for property appraised at $5,000 or less will also be posted on the DOJ website for 30 consecutive days, but will continue to be posted at the local customhouse and at the local U.S. Border Patrol office in situations where U.S. Border Patrol agents make the seizure.

To submit comments, please see the Federal Register notice:
http://www.gpo.gov/fdsys/pkg/FR-2012-02-08/pdf/2012-2842.pdf

New Business USA Website

On February 17th, President Obama announced the launch of BusinessUSA, a virtual one-stop-shop intended to make it easier for America's businesses to access the services and information they need to help them grow, hire, and export.

The website is designed for businesses to get help starting, growing, and financing a business, or to learn more about expanding their market and becoming more globally competitive through exporting.

The website currently provides State and Local resources for businesses, a listing of events, Resources, and government contacts.

In the About US section, BusinessUSA provides their thoughts on the website and they are looking for input from the business community. Provided below from BusinessUSA is the vision for the website:

Too often, interactions with the government are burdensome and frustrating. From seeking out financing opportunities to learning about the latest regulations affecting them, hard-working businesses are spending too much time navigating the federal bureaucracy.

On October 28, 2011, the President issued a challenge to government agencies to think beyond their organizational boundaries in the best interest of serving America's business community, and start thinking and acting more like the businesses they serve. He directed the creation of BusinessUSA, a centralized, one-stop platform to make it easier than ever for businesses to access services to help them grow and hire.

BusinessUSA implements a "no wrong door" approach for small businesses and exporters by using technology to quickly connect businesses to the services and information relevant to them, regardless of where the information is located or which agency's website, call center, or office they go to for help. Looking forward, the more *federal agencies continue to add resources to BusinessUSA to encompass the full range of business programs and services, the more we will be able to reduce the confusing array of websites that exist today. To ensure that it is oriented towards the needs of the customer, BusinessUSA will be designed, tested, and built with the active feedback of U.S. businesses. This is where you come in.*

The beta version of the Business.USA.gov web site is just the first step. In coming weeks and months, guided by your feedback, we will be adding new features and content, and opening new channels of communication to the BusinessUSA network such as call centers, email and social media. We will also seek to integrate state and local governments, as well as related private sector partners. This will help us better deliver the information you need on your own terms.

To strengthen America's competitiveness in the global economy, businesses will need to be equipped with the best tools and information available to support innovation and job growth in the 21st century. BusinessUSA is your front door to all the government has to offer. Help us make sure it continues to evolve and grow to meet your needs. Sign up for email alerts so you can be the first to find out about changes to BusinessUSA, and use feedback features on the website to let us know what you think. BusinessUSA is designed by businesses, for businesses. Take ownership today.

Visit BusinessUSA at http://business.usa.gov .

New DDTC License Codes SGB and SAU

On February 29th, Census announced two new License Codes for the United Kingdom and Australia. The full AES Broadcast #2012017 is reprinted below to ensure all details are provided to the Export Community.

ITAR Exemptions (SGB) and Australia ITAR Exemptions (SAU) will be added to the Automated Export System (AES) and become effective March 30, 2012.

The International Traffic in Arms Regulation (ITAR) is being amended pursuant to the Security Cooperation Act of 2010 (Public Law 111-266). Title I of the Security Cooperation Act, the Defense Trade Cooperation Treaties Implementation Act of 2010, implements the Defense Trade Cooperation Treaty between the United States and the United Kingdom, done at Washington, D.C. and London on June 21 and 26, 2007, respectively These revisions will include amending the ITAR to include "§126.17 Exemption pursuant to the Defense Trade Cooperation Treaty between the United States and the United Kingdom." The ITAR will be amended to add the provisions for the Defense Trade Cooperation Treaty between the United States and Australia when the Treaty enters into force. It is anticipated that this treaty will enter into force later this year.

United States Principal Parties in Interest and their authorized filing agents (AES filers) must follow the following new reporting requirements when reporting SGB-

United Kingdom ITAR Exemptions and SAU- Australia ITAR Exemptions to prevent the return of fatal errors from AES.

- Report the Country of Destination as GB – United Kingdom (License Code SGB) or AU – Australia (License Code SAU)
- Report one of the acceptable Export Information Codes: MS, GS, OI, OS
- Report the Mode of Transportation, except pipeline
- Report the Approved Community Member Number (ACM#) in the Export License Number/ CFR Citation/ Authorized Symbol/ KPC#/ ACM# field
- Report the DDTC ITAR Exemption
- Report the DDTC Registration Number
- Report the DDTC SME Indicator
- Report the DDTC Eligible Party Certification Indicator
- Report the DDTC USML Category Code
- Report the DDTC Unit of Measure Code
- Report the DDTC Quantity

The following references have been provided regarding this modification to the AES.

The updated list of AES License and License Exemption Type Codes and Reporting Guidelines including License Codes SGB and SAU can be found in Appendix F of the Automated Export System Trade Interface Requirements (AESTIR) at: http://www.cbp.gov/linkhandler/cgov/trade/automated/aes/tech_docs/aestir/june04_intro/appendices/apndx_f.ctt/apndx_f.doc

The updated list of DDTC ITAR Exemption Codes can be found in Appendix O of the AESTIR at: http://www.cbp.gov/linkhandler/cgov/trade/automated/aes/tech_docs/aestir/june04_intro/appendices/apndx_o.ctt/apndx_o.doc

The updated DDTC Licensable Shipment Reporting Requirements Matrix including License Codes SGB and SAU can be found at: http://www.cbp.gov/linkhandler/cgov/trade/automated/aes/tech_docs/aestir/ddtc_filing_matrix.ctt/ddtc_filing_matrix.doc

For further information regarding the amendment to the International Traffic in Arms Regulations, please contact Ms. Sarah Heidema, Office of Defense Trade Controls Policy at (202) 663-2809 or by e-mail at HeidemaSJ@state.gov .

For further information or questions regarding the reporting of License Codes in AES, please contact the U.S. Census Bureau's AES Branch. Telephone: (800) 549-0595, select option 1 for AES Email: askaes@census.gov. Online: www.census.gov/trade
Blog: http://globalreach.blogs.census.gov

TRANSPORTATION UPDATE

March2012 Update

INDUSTRY NEWS:

Economist Gives 'All Clear' For U.S. Economic Recovery
"…not by a huge margin, but we're all clear," was the message given by Walter Kemmsies, economist from the industrial development firm Moffatt & Nichol, in a speech before last month's Georgia Foreign Trade Conference. Kemmsies said that he was comfortable crossing off several items from his "recovery checklist"- a checklist of indicators that the U.S. economy is coming out of the double-dip recession. He singled out the robust automobile sales as a primary indicator of the country's expected growth this year. He cautions, however, that this growth will not resemble pre-recession volume growth, and that the drivers behind the recovery having major ramifications for international trade will look different. Kemmsies advises that housing, for example, will not be the driver of this next economic growth cycle, stating that the housing market is "over invested," and even though it led the surge of imports of containers of furniture, building supplies, and appliances, it is currently "bouncing along at the bottom, and not poised for a comeback any time soon." Exports, according to Kemmsies, are a different story, and will be a primary driver of post-recession growth. President Obama's goal of doubling exports in five years is on track, and the United States with its abundant water supply leads the world in agricultural productivity, making it a challenge for developing economies like China, India, and Brazil. The economist, well respected by many in the ocean shipping industry, believes that, "There hasn't been a business cycle since World War II that wasn't led up or down by the U.S., and even though the U.S. GDP is smaller than it used to be, it's still large enough to make a difference." He predicts, though, that manufacturing, despite its current growth spurt, will not be returning as a primary indicator, citing that an aging U.S. population, not well suited for manufacturing, will be forced to yield to other nations with a younger work force.

U.S. Trade Deficit Highest In Six Months
U.S. Department of Commerce reports show an increased U.S. trade deficit in the trade of goods and services to $48.8 billion – the largest imbalance since June. Exports rose 0.7 percent and imports by 1.3 percent, spurred by rising oil prices, and imports of aircraft, semiconductors, autos and parts. The Journal of Commerce sister company, PIERS, reports a rise in imports of containerized auto parts volume to 22.8 percent in 2011, representing 630,784 20-foot-equivalent units. Growth of capital and consumer goods imports reflect increases in consumer spending and the revival of business interests rebuilding inventories and replacing equipment. Last year's U.S. deficit rose to $558 billion, the highest since 2008, due to record levels of exports and imports. Exports rose 14.5 percent to $2.1 trillion, and imports increased 13.8 percent to $2.66 trillion, with the rise in exports coming close to the 15 percent annual rate needed to reach President Obama's goal of doubling U.S. exports by 2015.

U.S. Export Growth to China Surpasses Imports

HSBC Bank forecasting predicts that the annual increase of almost 12 percent in automobile exports will impact the rise of U.S. exports to China at an annualized rate of 7.1 percent, with imports from China increasing at a 4.3 percent rate. Overall U.S. imports and exports are expected to increase at an annual rate of 1.95 percent over the next five years compared with 3.8 percent trade growth expected throughout the rest of the world. U.S. import/export trade is predicted to accelerate to an annual growth of 5.7 percent from 2017 to 2021, while over the same period global trade is expected to grow 6.2 percent. The report also predicts an increased growth of export over imports in trade with the countries of South Korea, Mexico, Canada, Japan, Germany, the UK, and Italy.

Baltimore: Largest Auto Port in the Country

The port of Baltimore handled record-number of containers and automobiles in 2011, surpassing levels set before the 2009 recession. The volume of autos handled by the port increased 12 percent to 446,403 units, with exports increasing 32 percent to 166,077, earning the port's distinction of becoming the largest auto port in the country. Roll-on, roll-off cargo tonnage increased by 51 percent in 2011 to 938,675 tons – the port's second best Ro-Ro year ever after 2008 – then a record of 969,972 tons.

OCEAN FREIGHT:

$800 Rate Increases Sought by Eastbound Trans-Pacific Carriers

In an effort to hold on to pricing momentum in the Trans-Pacific, shipping lines carrying U. S. imports from Asia are proposing two rate hikes slated to increase freight rates $800 per 40-foot container over the next three months. The Transpacific Stabilization Agreement (TSA), a discussion group representing 15 of the largest carriers operating out of the trade lane, has called for a rate increase of $300 per FEU, scheduled to take effect on March 15. The TSA has also recommended additional increases of $500 per FEU to West Coast ports, $700 per FEU on intermodal services to interior destinations and on all-water services from Asia to the East Coast. The TSA has also announced the intention to collect full floating fuel surcharges to cover the cost of bunker fuel currently around $700 per metric ton.

APL Discontinues Chassis Service

Singapore-based APL,the world's sixth largest container line, has announced its decision to end its practice of providing chassis for merchant haulage. Among the last of the carriers to get out of the chassis business, APL advised its reluctance to abandon its brand image as a full service carrier catering to all the needs of its shippers. Driven by the need to reduce costs, the steamship line will begin its divesture with a pilot program at terminals in Denver and Salt Lake City in March, with a plan to have chassis fleets phased out of inland terminals by the end of 2012.

Maersk Decides Against Order of 10 Triple-E Ships
Maersk Line ordered 10-Triple E Ships a year ago from South Korea's Daewoo Shipbuilding and Marine engineering. Its original order was for 20 vessels but on the heels of its February 17th announcement that it was reducing capacity on the Asia-Europe trade by 9 percent, the world's largest container line also declined to declare its option for the last 10 Triple –E ships, scheduled to have been delivered around 2015. The mega-containerships capacities were for 18,000 20-foot equivalent units, and considering overcapacity on the Asia-Europe trade lanes, Martin Dixon, editor of Drewry's Container Freight Rate Insight, said that the decreased order came as no surprise, and that "there is too much capacity, and demand on the Asia-Europe trade where those vessels would have been deployed is slowing." Dixon also said that there are reports that other lines are looking to hold back orders going into 2013, asserting that, "Demand is unlikely to be strong on that trade in the two years ahead."

Maersk has advised that it will consider additional opportunities to reduce capacity, including redelivery of time charter tonnage, the use of lay-ups and slow-steaming.

CMA/US Lines PEX3 Service Changes
There is going to be a major change on the PEX3 service, effective with the CC New Jersey PG694W arrival at Houston on February 8th. The service will travel to Asia via the Panama Canal instead of the current Suez Canal routing. The service will drop its New York call as well as Jebel Ali and Singapore calls. The port rotation for exports from USA will be: Houston- Mobile- Miami- Jacksonville- Savannah- Charleston-Shanghai-Xiamen-Hong Kong – Chiwan. Singapore will be covered by transship over Shanghai. Service to the Middle East will be covered via alternate services to be announced. This development was rather sudden, and we will do what we can to minimize impact to customers.

MSC: Import Relay to USA GRI Effective March 4, 2012
MSC reported this month that they are once again challenged to maintain service profitability since freight rates are at levels that are no longer sufficient given current demand and costs. In order to maintain its service levels MSC announced that they are forced to implement the following GRI effective March 4, 2012:
From Turkey to USA and Puerto Rico: USD 100 per Container

Maersk 9 Percent Capacity Cuts on Asia-Europe Lanes Harbinger of Things to Come
Maersk Line said it is cutting vessel capacity on the Asia-Europe route 9 percent in a bid to boost flagging freight rates. Maersk also confirmed it will not exercise an option to buy an additional 10 18,000 20-foot equivalent units vessels on top of the 20 ships it ordered in 2011.

The 9 percent cut, to be achieved through a vessel-sharing agreement with rival carrier CMA CGM on the Asia-Mediterranean route in early April, comes on the eve of planned rate hikes by most lines averaging $750 to $800 per 20-foot container on the westbound leg from Asia on March 1.

The agreement calls for Maersk and CMA CGM to merge their AE11 and MEX services into a new AE11/MEX operation deploying a weekly capacity of 12,500 TEUs to cover the trade to and from Asia and Spain, France and Italy.

To cover their Mediterranean hubs the two carriers will merge their planned AE20 and FAL9 services into a new AE20/MEX3 service with a weekly capacity of 9,500 TEUs. Maersk will also reinstate two port calls in Algeciras, Spain, on its North Europe Daily Maersk strings.

Maersk cut capacity on the Asia-Europe route in November by merging its ICON service, which links the Far East and Indian subcontinent to northern Europe, into its Daily Maersk network. The carrier led an industry-wide cull of capacity during the 2009 container shipping bear market by idling and laying up around 25 medium-sized vessels.

MSC and all TSA Carriers Raises Trans-Pacific Rates Mid-March
Mediterranean Shipping and the TSA Carriers have announced they will increase all freight rates on eastbound service from Asia to the U.S. and Canada on March 15.

MSC and the TSA Carriers said the GRI would be $240 per 20-foot equivalent container unit, $300 per 40-foot equivalent unit and $338 per high-cube container. MSC's GRI will apply to all cargo shipped from all ports of origin in Asia and the Far East to all U.S. and Canadian destinations. The rate hikes are in line with the $300 per FEU recommended for that date by the Transpacific Stabilization Agreement.

DOMESTIC:

Freight Volumes Surpass 2005 Record – Up 3.9 Percent in December
U.S. freight shipments in December rise 3.9 percent from the previous month making it the largest monthly increase in domestic freight shipping in 17 years. Bureau of Transportation Statistics (BTS), Freight Services Index reports it to be the strongest month-to-month increase of the year. Growth rate in November from October only showed a 0.1 percent increase. December's growth rate exceeded a 2.5 increase last June. The 2011 freight index rose 6.4 percent, representing the highest full year growth rate since 2002, and according to the Department of Transportation, represents the third consecutive year of increased shipping activity by truck, railroad, airline, waterway and pipeline. The December 2011 index level surpassed levels set in January 2005, signaling steadier U.S. freight demand. According to BTS, freight shipments increased in 22 of the last 32 months, rising 20.6 percent during that period after April 2009 recession-era low point.

Capacity, Accelerated Economy to Impact Rise in 2012 Truck Rates
John Larkin, managing director and analyst from Stifel Nicolaus, predicts a steady rise in truck rates in 2012 from 2 to 6 percent, and attributes this rise in part to federal safety regulations that will have an impact on trucking productivity-and the accelerating economy. "If the regulations take more capacity away, or if the economy

accelerates and generates more freight, we are basically going to have too much freight and not enough trucks to handle it-meaning price increases will accelerate," he said. Larkin also predicts that less-than-truckload, (LTL) rates will rise more quickly in 2012, from as low as 3 percent to 10 percent annually.

AIFREIGHT:

Asia Airfreight Rates Rise 4.6 Percent

Airfreight rates for Asia outbound shipments rose 4.6 percent in January over the same month a year ago, indicating the first year-over-year increase in Drewry's Air Freight Price Index in 15 months. The Index jumped 8.4 percent from December signaling relatively solid demand after the 2011 holidays. Linking the increase to the airlines keeping capacity in check, this measure of 109.6 was the highest point for the index since Drewry's 2011 high of 114 in October. According to the Association of Asia Pacific Airlines, Asia's air carriers reduced freight capacity 2.8 percent from October to December, in line with seasonal reductions in shipping demand, while other freighter operators have pulled out of the market, giving a greater premium to all-cargo capacity.

Aviation fuel set to rise March 1st by .05/kg, for multiple carriers.

KLM returns to Atlanta, links China and Africa

Air France-KLM Cargo and Martinair Cargo will recommence service to Hartsfield-Jackson Atlanta International Airport on March 27 after a three-year hiatus. Boeing 747 freight flights will depart from Paris-Charles de Gaulle Airport and complement Air France-KLM's existing passenger routes to Atlanta.

Etihad Airways Launches Washington, D.C. Route

Etihad Airways has commenced daily, nonstop service to Washington Dulles International Airport from its Abu Dhabi hub. The flights, which will be performed on A340-500 aircraft, will offer a weekly freight capacity of 140 tons and complement the carrier's existing cargo routes to and from North America.

SAMUEL SHAPIRO & COMPANY, INC. NEWS

Employee of the Month

As previously featured in "Shap" Talk, Samuel Shapiro & Company, Inc. 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 Nan Smith, Corporate Receptionist, for her outstanding performance and contributions.

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

WE WANT TO HEAR FROM YOU!

Do you have suggestions for an article? Is there a topic you'd like us to cover in a future issue? Please let us know! Send your feedback to shaptalk@shapiro.com.