



“SHAP” TALK

August 2009 Issue No. 88

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SAMUEL SHAPIRO & COMPANY, INC. NEWS

Employee of the Month

WE WANT TO HEAR FROM YOU!

SEMINARS

There is still time for Shapiro's last summer seminar! Plus get ready for our fall classes!

On August 13th, Samuel Shapiro & Company, Inc. will be hosting our annual half-day summer seminar in Baltimore. The topic this year is Food & Drug.

Here is what you can expect to learn in our half-day class:

- Products regulated by FDA
- Other government agencies involved
- FDA review of imported merchandise – OASIS & PREDICT
- FDA import alerts
- Contents of FDA import declaration
- Food imports overview and Bio-Terrorism Act
- Cosmetics overview
- Drug overview
- Device overview
- Best practices for FDA importers

Our FDA seminar will also feature Dean Cook, Supervisory Consumer Safety Officer with FDA in Baltimore.

The Import and Export seminar will take place in Atlanta on September 29th and will cover the basics of what you need to know to be a compliant importer and exporter. The import session will include 10+2 Importer Security Filing and the Lacey Act. You may sign up for the Import class only (morning), Export class only (afternoon), or both (all day). If you attend both sessions, lunch will be included.

On November 10th, we will host our NAFTA seminar which is being presented at the time most companies are preparing their annual NAFTA certifications. We will walk you through what is required when you “hafta” do NAFTA.

Training is an important investment for importers and exports even in a troubled economy. During a Customs & Border Protection or Bureau of Industry & Security audit, the agent will ask what kind of training your import or export staff has received. Did you know that the lack of training is a key cause leading to penalties? Spending a little bit of money on training now will lead to significant cost savings down the road.

Finally, we know companies are keeping a tight rein on spending this year. For this reason, we are introducing our budget friendly seminars. For every person who attends our seminar, your company will receive a free entry fee or free forwarding fee. This is our way of thanking you for supporting our seminar series.

Here is our 2009 seminar schedule summary (detailed information below):

| Seminar Topic | City/State | Location | Date |
|------------------------------|-------------------|--|-------------|
| FDA | Baltimore, MD | Sheraton Baltimore City Center | 8/13/09 |
| Import and Export compliance | Atlanta, GA | Sheraton Gateway Atlanta Airport | 9/29/09 |
| NAFTA | Baltimore, MD | Sheraton Baltimore City Center | 11/10/09 |

Import and Export Compliance Seminar

Date:

Atlanta: September 29, 2009

Time:

8:00-12:00: Import Compliance Seminar

1:00-5:00: Export Compliance Seminar

Cost:

Import Compliance Session (Morning)

\$90.00 per person includes continental breakfast, seminar materials, and refreshments.

Export Compliance Session (Afternoon)

\$90.00 per person includes seminar materials and refreshments.

Import and Export Compliance Sessions (All day)

\$160.00 per person includes continental breakfast, seminar materials, lunch, and refreshments.

Location:

Sheraton Gateway Atlanta Airport
1900 Sullivan Road
College Park, GA 30337
Hotel telephone: 770-997-1100

FDA and NAFTA Seminars

Dates:

FDA: August 13, 2009 (Baltimore)

NAFTA: November 10, 2009 (Baltimore)

Time:

8:00-12:00: Seminar

Cost:

\$90.00 per person includes continental breakfast, seminar materials, and refreshments.

Location:

Sheraton Baltimore City Center
101 West Fayette Street
Baltimore, MD 21201
Hotel telephone: 410-752-1100

To register today, visit our website at <http://www.shapiro.com/html/2009SeminarSchedule.html> or call Jane Taeger at 800-695-9465, ext. 290.

TRADE NEWS**Customs Publishes 10+2 Penalty Guidelines**

U.S. Customs & Border Protection (CBP) has published the penalty and mitigation guidelines for Importer Security Filing (ISF), also known as 10+2. Liquidated damages can be assessed for failure to timely file the ISF or for providing inaccurate or invalid information in the ISF. The ISF must be filed at least 24 hours prior to loading on the vessel destined for the United States. Any amendments to the ISF must be filed before the goods arrive within the limits of the port of discharge.

Liquidated Damages may be assessed for the following reasons:

- Failure to file ISF – see below (liquidated damages cannot be assessed for failure to file ISF if no bond is in place)
- Late filing - \$5,000 per late ISF
- Inaccurate filing - \$5,000 per inaccurate ISF
- Inaccurate update - \$5,000 for the first inaccurate update
- Failure to withdraw ISF - \$5,000

First Violation

If the violation is for a late or inaccurate ISF, or an inaccurate ISF update, the liquidated damages claim may be cancelled upon payment of an amount between \$1,000 and \$2,000, depending on the presence of mitigating or aggravating factors, if CBP determines that law enforcement goals were not compromised by the violation.

Subsequent Violations

If an ISF importer incurs a subsequent liquidated damages claim, the claim may be cancelled upon payment of an amount not less than \$2,500, if CBP determines that law enforcement goals were not compromised by the violation.

If law enforcement goals were compromised by the violation, then no relief will be granted.

Customs will consider all available information in a petition, taking into account any mitigating, aggravating, and extraordinary factors, in determining the final assessed claim for liquidated damages.

Mitigating Factors (not exhaustive)

- Evidence of progress in the implementation of ISF during the flexible enforcement period 1/26/2009 – 1/26/2010
- Small number of violations compared to the number of shipments for which ISF's were required
- Tier 2 or Tier 3 C-TPAT members may receive additional mitigation up to 50% of the normal mitigation amount
- Demonstrated remedial action has been taken to prevent future violations
- ISF information was filed late because of vessel diversion due to factors outside of the ISF Importer's control (such as weather)
- Regarding an inaccurate filing, the presenting party acquired the information from another party in accordance with ordinary commercial practices, and can demonstrate that it reasonably believed the information to be true, and it was not reasonably able to verify the information. This is an extraordinary mitigating factor that may warrant *cancellation of a claim without payment*.

Aggravating Factors

- Lack of cooperation with CBP or CBP activity is impeded with regard to the case
- Evidence of smuggling or attempt to introduce or introduction of merchandise contrary to law. This may be considered an extraordinary aggravating factor
- Multiple errors on the ISF
- There is a rising error rate which is indicative of deteriorating performance in the transmission of ISF information.

Failure to File

- CBP will withhold release of cargo until the required ISF information is received and Customs has had the opportunity to review the documentation and conduct any necessary examination.
- CBP also reserves the right to limit the permit to unlade so as to not permit unloading of merchandise for which no ISF has been filed. If such cargo is unladen without permission, it may be subject to seizure.

In addition to liquidated damages, the following action may be taken for failure to file an ISF in the time period and manner prescribed by regulation.

- Do Not Load (DNL) hold
- Delay or denial of permit to unlade
- Assessment of any other applicable statutory penalty
- Withhold of release of cargo

Customs can impose additional penalties under 19 USC 1595a(b) for serious or repetitive violations.

The guidelines are available at http://www.cbp.gov/linkhandler/cgov/trade/legal/bulletins_decisions/bulletins_2009/vol43_07172009_no28/43genno28.ctt/43genno28.pdf and begin on page 29.

While the penalty guidelines have an effective date of July 17, 2009, Customs will not begin full enforcement of ISF until January 2010.

If you have not started filing ISF yet, the time to do it is NOW (take a look at the first bullet point under Mitigating Factors). Customs is keeping track of who is filing (see our article on the ISF Report Card). The companies having the most success with ISF are those that started last January. Customs estimates it takes most companies 30-90 days to fully implement ISF. Please contact us at compliance@shapiro.com if you have any questions.

How Does Your 10+2 Report Card Look?

Customs & Border Protection has now issued two Importer Security Filing (ISF) report cards. The first covers the period 1/26/09 – 5/14/09. The second covers the period 1/26/09 to 7/1/09. We expect to receive the report cards monthly from Customs.

The 10+2 regulations state that the ISF must be filed at least 24 hours prior to loading on the vessel. However, Customs has no means to actually measure when a container is physically loaded on a vessel, so the report card is using the time the steamship line's manifest with bill of lading information is filed in order to measure ISF timeliness. Please bear in mind that the manifest can be filed several days prior vessel loading. Let's say the manifest is filed three days prior to loading and your ISF is filed two days prior to loading. Your ISF is still timely according to regulation, but will show in the report card as filed after the bill of lading is filed. Customs will soon be using the vessel departure date in addition to the bill of lading filing date to assess ISF timeliness. Customs says that these two reference dates are being used as "indicators" of timeliness. As of the end of June, 54% of ISF's were being filed after the bill of lading file date.

If you would like a copy of your report card for ISF's filed by Samuel Shapiro & Company, Inc., please contact us at compliance@shapiro.com.

BIS 2008 Annual Report

The Department of Commerce's Bureau of Industry and Security (BIS) has posted its Annual Report to the Congress for Fiscal Year 2008. A summary of some of the information included in this report is as follows:

BIS processed 21,290 export license applications worth approximately \$72.2 billion. Over the past decade, the number of export license applications has steadily increased, nearly doubling since 2000. This marked an increase of nine percent over the 19,512 applications processed in FY 2007 and represented the highest number of applications reviewed by the Bureau in over 15 years. Interesting license facts can be

found in the details of this report, such as in Appendix F for Approved Applications for Country Group D1 and Cuba.

In order to determine the Export Control Classification Number (ECCN) to see if a license is required, exporters can request an official classification by BIS. This report shows that BIS processed 6,629 classification request applications in an average of 33 days.

A commodity jurisdiction (CJ) request is used to determine whether an item or service is subject to the export licensing authority of the Department of Commerce or the Department of State. Exporters may request a CJ determination by submitting the request to State's Directorate of Defense Trade Controls (DDTC), which has final jurisdiction determination authority. In FY 2008, BIS processed 539 CJ requests in an average of 37 days.

BIS continued to provide guidance, both domestically and internationally, to new and experienced exporters through 41 domestic export control outreach seminars in 18 states. BIS conducted seven international export control outreach seminars in Hong Kong, Singapore, Malaysia, Austria, Germany, and two locations in Japan, to a combined audience of almost 800 attendees.

BIS continued its online training program through the presentation of four new Web seminars, reaching over 550 participants, and offered an introductory series of easy-to-use training modules intended to assist exporters and re-exporters, particularly small and medium-sized enterprises. Since inception, these modules have been accessed more than 45,000 times. BIS will continue to create and update content. This is good news for exporters looking for good training material for their employees, when it is not feasible to do it offsite.

In FY 2008, BIS enforcement activities remained focused on preventing and deterring violations of U.S. export control laws and regulations, disrupting illegal activities, and bringing violators to justice. BIS's investigations resulted in the criminal conviction of 40 individuals and businesses for export violations with penalties totaling more than \$2.7 million in criminal fines, over \$800,000 in forfeitures, and over 218 months of imprisonment.

BIS investigations also resulted in the completion of 56 administrative cases against individuals and businesses and over \$3.6 million in administrative penalties. These penalties include six cases and \$162,450 for antiboycott violations. This is not such good news for exporters. Exporters need to remain vigilant with their export compliance efforts. The closed enforcement cases can be found in this report.

These are just a few items from the Annual Report. BIS plays a vast role in U.S. Export control policies, treaties, and compliance. Please review the report to fully appreciate the strategic role this agency plays at the present time.

The report to the Congress for Fiscal Year 2008 can be accessed in its entirety (93 pages) on the BIS website www.bis.doc.gov at:
http://www.bis.doc.gov/news/2009/bis_annual_report_2008.pdf

User Fee Increase for Export Certification for Plants and Plant Products

The U.S. Department of Agriculture’s (USDA) Animal and Plant Health Inspection Service (APHIS) is increasing the user fees for fiscal years 2010 through 2012. The increase in fees will reflect the anticipated costs associated with providing these services during each year. USDA is also adding a new user fee for Federal export certificates for plants and plant products that an exporter obtains from a State or county cooperator in order to recover additional costs associated with these services.

The user fee rule was printed in the Federal Register as a final rule on July 8, 2009. The effective date for the changes is October 1, 2009. A complete copy of the final rule can be accessed at: <http://edocket.access.gpo.gov/2009/pdf/E9-16146.pdf>

State/County Issued Certificates*

ADMINISTRATIVE FEES

| Effective dates | Amount per certificate | |
|--------------------------------------|------------------------|---------------|
| | PCIT used | PCIT not used |
| October 1, 2009 - September 30, 2010 | \$3 | \$6 |
| October 1, 2010 - September 30, 2011 | \$6 | \$12 |
| October 1, 2011 - | \$6 | \$12 |

*The administrative fee is applicable for every certificate issued by state/county cooperators. The only exception is when the replacement is because of a mistake by the Animal Control Officer (ACO).

PPQ Issued Certificates**

USER FEES for COMMERCIAL SHIPMENTS

| Effective dates | Amount per Certificate |
|--------------------------------------|------------------------|
| October 1, 2009 - September 30, 2010 | \$77 |
| October 1, 2010 - September 30, 2011 | \$104 |
| October 1, 2011 - | \$106 |

USER FEES for NON-COMMERICAL SHIPMENTS

| Effective dates | Amount per shipment |
|--------------------------------------|---------------------|
| October 1, 2009 - September 30, 2010 | \$42 |
| October 1, 2010 - September 30, 2011 | \$60 |
| October 1, 2011 - | \$61 |

USER FEES for REPLACING ANY CERTIFICATE

| Effective dates | Amount per certificate |
|--------------------------------------|------------------------|
| October 1, 2009 - September 30, 2010 | \$11 |
| October 1, 2010 - September 30, 2011 | \$15 |
| October 1, 2011 - | \$15 |

**Certificates issued by PPQ on overtime are subject to both the overtime fees and the associated certificate fee.

User Fees for Export Certification of Plants and Plant Products Q & A's)

Q: Why does APHIS charge a user fee for export certificates for U.S. exports of plants and plants products?

A: APHIS's export program provides phytosanitary certification of plants and plant products as a service to exporters. The user fee is money paid for a specific Government service by the beneficiary of that service and is designed to recover the costs of providing that service. The user fees covered by this rule are paid by the exporters who benefit from our export certification services. Phytosanitary certification is required by importing countries for most plants and plant products. The fees allow APHIS to recover the full costs of providing these services.

Q: Why are user fees increasing for export certification for plants and plant products?

A: APHIS has not adjusted user fees for export certificates since January 29, 1996, which has resulted in shortfalls in full-cost recovery for the export program. The economic analysis of this rule indicated that the updated fee schedule will ensure that costs of the program are borne by those exporters directly benefiting from the service being provided and to allow for a reasonable reserve to ensure that APHIS has sufficient operating funds in cases of fluctuations in activity volumes or unanticipated events that could impact the program.

Q: Why doesn't APHIS bill the exporter for export certificates?

A: For each certificate issued by APHIS personnel, the applicant must pay the applicable user fee at the time and place the certificate is issued according to regulation 7 CFR 354.3(g).

Q: Why is there an administrative fee for export certificates issued by States and Counties?

A: The administrative fee is intended to cover the direct labor and administrative support costs incurred by APHIS when export certificates are issued on its behalf by State and County cooperators.

The Federal fee structure incorporates the administrative fee into the flat rate.

Q: How can the administrative fee be paid?

A: The preferred method of payment is by the exporter directly to APHIS through the Phytosanitary Certificate Issuance and Tracking (PCIT) system. If the exporter does not have a PCIT account or if the State or county is not using PCIT, then the burden of collecting the administrative fee from the exporter and remitting it to APHIS would fall directly on the State or County issuing the Federal export certificate and must occur monthly.

Q: Is the administrative fee cheaper when using PCIT?

A: The administrative fee as well as any associated overhead costs is lower when the export certificate is issued in PCIT; therefore, the administrative fee is cheaper for certificates issued in PCIT. APHIS adopted a two-tiered fee structure for the administrative fee. For those States and counties issuing certificates through PCIT, the administrative fee will initially be set at \$3 per certificate in FY 2010 and \$6 starting in FY 2011. For those States and counties issuing paper certificates, the administrative fee will be set at \$6 per certificate in FY 2010 and \$12 thereafter.

Q: What if states/counties or industry does not use PCIT?

A: If PCIT is not utilized during the phytosanitary certification process, the State or county issuing the export certificate is responsible for collecting the fee and remitting it monthly to the U.S. Bank, United States Department of Agriculture, APHIS, AQI, P.O. Box 979043, St. Louis, MO 63197-9000.

Q: Can APHIS collect State and county fees in addition to Federal fees?

A: APHIS has a mechanism in place that allows the collection of State and county fees in addition to the administrative fee. PCIT has the capability of collecting both the State and county fees for Federal Certificates and State certificates. APHIS will remit the fees to each state and county on a monthly basis.

PCIT already collects all fees for certificates issued by Federal ACOs.

Q: What are some of the benefits to States and counties in using PCIT to collect fees?

A: PCIT has the capability to:

- Provide the States and counties a more efficient and cost effective means of collecting and tracking certificates issued than does the four part paper certificates;
- Assist in developing an accurate balance sheet for the organization;
- Provide various reports that can be utilized by both government and industry;
- Assist getting held shipments released in a foreign country in a more timely manner.

For information concerning program operations, contact Mr. Marcus McElvaine, Senior Export Specialist, Phytosanitary Issues Management, PPQ, APHIS, 4700 River Road Unit 140, Riverdale, MD 20737-1236; (301) 734- 8414.

CPSC Publishes Guidance on Children's Products Tracking Labels

The Consumer Product Safety Commission (CPSC) has published a policy statement concerning the children's products tracking label requirement as provided by the Consumer Product Safety Improvement Act of 2008 (CPSIA).

The tracking label requirement applies to children's products manufactured on or after August 14, 2009. The purpose of the tracking label is to provide a method for tracking the source of children's products in the event of a recall, or other safety action. Children's products are defined as consumer products designed or intended primarily for children 12 years old or younger. In determining whether a product is intended for

children the CPSC considers certain factors such as a statement by the manufacturer that said products are intended for children's use. The CPSC defines a manufacturer as the actual producer and the importer of said products for CPSIA purposes.

Tracking Label Requirements/Guidance Includes:

- The requirement for permanent distinguishing marks on the product and its packaging. The interpretation of tracking label does not necessarily mean a singular label or collection of the required information in one location. Permanent marking accomplished to meet other CPSC or federal regulations or to brand the product could be considered part of the distinguishing marks that would meet the labeling requirement.
- Permanent marks are those that can be reasonably expected to remain on the product during the life of the product. A mark on disposable packaging such as an adhesive label needs only to be durable enough to reach the consumer. If a product mark is viewable through the packaging, then an additional packaging mark is not required.
- There are no set formats for the marking. Manufacturers should develop formats that suit their products and business practices. As with any new requirements, the CPSC will likely not impose penalties on manufacturers who inadvertently omit required information during the initial enactment of the requirement as long as the manufacturer can demonstrate a good faith effort in meeting the requirement.
- Permanent distinguishing marks should include the name of the manufacturer or private labeler, the date or date range of production, location of the product (country, city, & state, where applicable), and identifying characteristics such as batch number, run number, etc. given the character and type of product. A code or numbering system may be used by the manufacturer as long as the required information is ascertainable by the consumer. Ultimately the manufacturer is responsible for identifying the specific source of the product in an inquiry or safety action such as a recall.
- The CPSC recognizes that there may be products where the marking may be impractical. These include products that are too small to be marked, board games and game pieces that will be kept in boxes, products where a mark may weaken or damage the product, bulk products sold through vending machines, products with surfaces that would be impossible to mark such as jewelry, beads, natural rocks, etc., products where a mark cannot be placed in an inconspicuous location, or where the marking would affect the aesthetics of the product. In such cases only the packaging would be required to be marked.
- Items sold in pairs or sets that function in pairs or sets require only one item to be marked.
- The CPSC has determined that products and their packaging can be marked with an identifying code and website address where the required labeling information can be found in lieu of specific information being marked on the product and packaging.

The CPSC Statement of Policy for Tracking Labels can be viewed by visiting their website at <http://www.cpsc.gov/about/cpsia/sect103policy.pdf>.

FAQs concerning children's products tracking labels can be viewed by visiting <http://www.cpsc.gov/about/cpsia/sect103.html#103q8>.

TRANSPORTATION UPDATE

August 2009 Update

Samuel Shapiro & Company, Inc has full service LCL services. Our schedule for LCL cargo can be viewed on our website www.shapiro.com under the tab labeled "Logistics Services." Please contact your Shapiro Representative for further details.

Important: Bunker Adjustment Factors (BAFs) continued to rise this month and several new increases were announced by the carriers.

The big news for August is the pending General Rate Increases (GRIs) for shipments in and out of the United States to and from Asia, Europe, and the Indian Subcontinent. The Transpacific Stabilization Agreement (TSA) is a discussion of 14 carriers that carry U.S. imports from Asia. The TSA announced a rate increase of \$500 per FEU effective August 10. It is important to note that this recommendation is only a guideline because the TSA cannot enforce this with each carrier. We don't expect that importers and NVOCC's will support the carriers at the \$500 per FEU rate, but an increase of some kind is inevitable as carriers claim they cannot sustain their business at the current low rate levels. In the past year, rates from Asia to the U.S. West Coast have dropped an average of 42.7 percent at a time when container volumes dropped over 20 percent. According to the TSA, every week adds another \$100 million in losses. Shapiro will continue to negotiate to mitigate any increase wherever possible.

BAF and GRI details are listed below in each trade lane section.

Carriers now report increasing traffic volumes in the eastbound Pacific trade as we move into the traditional "Peak Season" out of Asia to the U.S.

Idle container ships slowed in July to 1.2 million TEUs as compared to a peak of 1.42 million TEUs at the end of March as a result of service reactivations for the summer peak season. The industry expects the jobless fleet will increase after peak season as new larger vessels are delivered while scrapping older vessels. These new vessels could push the idle fleet past 2 million TEUs by the end of 2009 depending on the strength of the market between now and then. If predictions come true, 15% of the world's container fleet could be idle by the end of this year.

FAR EAST/INDIA SUBCONTINENT/MIDDLE EAST

TSA Members APL, China Shipping, COSCO, CMA, Hanjin, Evergreen, Hyundai, Hapag Lloyd, NYK, K-Line, Yang Ming, MSC, OOCL, and Zim have announced a

General Rate Increase (GRI) or “Rate Restoration” of \$400/20’, \$500/40’, \$560/40’HC, \$630/45’ for all cargo from Asia and the India Subcontinent to the U.S. effective August 10, 2009.

TSA Carriers have also announced a BAF increase for August 1st in the amount of approx. \$50/20 and \$75/40’. This is currently under negotiation and we are hoping to get this increase mitigated.

Safmarine has announced a GRI from the Indian Subcontinent to North America effective August 15, 2009 at \$135/20’, \$165/40’, \$190/40’hc, \$210/45’.

MSC has announced that all cargo originating from the U.S. destined for China will be subject to a Destination Terminal Handling Charge (DTHC) payable in China in the amount of 370 RMB/20’ and 560 RMB/40’.

MSC also announced that due to the increasing cost of bunker fuels, their new BAF levels from all Indian Subcontinent ports to U.S. ports will be \$270/TEU.

ANL Container Line has announced that its Bunker Adjustment Factor (BAF) will be increased to \$420 per TEU, effective August 1, 2009.

SOUTH AMERICA

Rate and BAF levels have held steady in the South America trade this past month and there are no significant changes to report for this month.

NORTHERN EUROPE

China Shipping will stop operating vessels from North Europe to the U.S. East Coast effective September 2009. The last vessels in this service will sail September 14th. This could cause a modest increase in demand in the North Europe to U.S. trade through the remaining carriers in that market.

MSC announced a BAF increase for exports to Europe. Effective August 1st, BAF levels from the U.S. East Coast to Europe will be \$125/TEU and from the U.S. West Coast to Europe it will be \$150/TEU.

Hapag Lloyd announced an Emergency Bunker Surcharge to be added to all rates at the amount of \$75 per TEU effective August 1, 2009 for all import and export cargo to and from North America and North Europe.

In addition to the Emergency Bunker, Hapag Lloyd announced a GRI as of September 1, 2009 for all cargo eligible for an increase at that time and all other remaining cargo will be affected on October 1, 2009. The GRI to and from North America will be \$400/20’ and \$500/40’.

EAST/WEST MED

MSC announced a BAF increase for exports to the Mediterranean ports. Effective August 1st, BAF levels from the U.S. East Coast to the Mediterranean will be \$125/TEU and from the U.S. West Coast to the Mediterranean they will be \$150/TEU.

Hapag Lloyd announced an Emergency Bunker Surcharge to be added to all rates at the amount of \$75 per TEU effective August 1, 2009 for all import and export cargo to and from North America and the Med.

In addition to the Emergency Bunker, Hapag Lloyd announced a GRI as of September 1, 2009 for all cargo eligible for an increase at that time and all other remaining cargo will be affected on October 1, 2009. The GRI to and from North America will be \$400/20' and \$500/40'.

AIR FREIGHT

Shapiro's overseas partners have shared the news that the air carriers in the Asia to U.S. market should be announcing rate increases for the month of August. No formal increases have been announced at the time of this writing.

DOMESTIC

Industry analysts are upbeat on the economy despite large job losses in the trucking industry in the past few months. Factory orders increased 1.2% in the month of July, so the trucking industry claims that "it's slow-steam ahead." The American Trucking Association is hoping that the worst is behind them but the light at the end of the tunnel remains a faint light.

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 Precious Muhammad, Baltimore Import Coordinator, 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.