



“SHAP” TALK

June 2008 Issue No. 74

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SAMUEL SHAPIRO & COMPANY, INC. NEWS

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TRADE NEWS

10+2 Update

10+2, also known as the Importer Security Filing (ISF), involves the electronic transmission of additional data elements in order to improve high-risk cargo targeting by Customs & Border Protection (CBP). The information is to be provided for cargo destined for the United States 24 hours prior to loading on vessels at foreign ports. Our February 2008 issue of Shap Talk included a detailed article on 10+2:

<http://www.shapiro.com/docs/ShapTalk/ShapTalk70.pdf>

The 10+2 data elements are:

1. Manufacturer (or supplier) name and address
 2. Seller name and address
 3. Buyer name and address
 4. Ship to name and address
 5. Container stuffing location
 6. Consolidator (stuffer) name and address
 7. Importer of record number/Foreign Trade Zone applicant ID number
 8. Consignee number(s)
 9. Country of origin
 10. HTS number
-
1. Vessel stow plan
 2. Container status messages

These “+2” data elements will be filed by the steamship line. The importer will be responsible for the “10” data elements.

The Notice of Proposed Rulemaking (NPRM) comment period closed on March 18, 2008, and nearly 200 comments were submitted by interested parties. CBP has said a final rule is expected in the summer of 2008. Many of the commenters requested a phased-in implementation of at least up to a year, particularly since major programming will need to be done to accommodate items 5 and 6 from the list above; these two data elements are not typically stored in an importer’s or customs broker’s automated systems, nor is there currently a field in ABI for these data. Customs has not yet issued the technical specifications for filing 10+2 data.

The NPRM raised quite a bit of controversy with the proposed regulation to assess liquidated damages equal to value of cargo for violations, such as failure to submit the ten data elements. This places inappropriate retroactive liability on an importer’s bond for what could be just a clerical error. The NPRM did not address situations where an importer does not have a bond (that is, the shipment would require a single entry bond, or, for example, household goods). The carnet community and the surety companies filed strongly worded comments and urged Customs to reconsider this part of the proposal. For instance, when would a single entry bond need to be filed? Would importers need larger bonds?

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Many other commenters asked about confirmation that the 10+2 information had been filed. How will importers know the ISF has been filed and by whom and that the ISF has been accepted?

In the meantime, we urge you to think about how you will integrate 10+2 into your existing business practices. What information will you need to get from your suppliers and/or the foreign freight forwarders and when? You may need to consider changing your terms of sale to FOB or Ex-works to gain more control over your shipments.

We are fortunate to live in a country with an open system of government. Instead of just dictating the law, the public is invited to comment on proposed regulations. The government takes the comments seriously and considers each and every comment on its own merit. It will be interesting to see what changes CBP makes to the proposed 10+2 regulations based on the public's response to this divisive issue. We will continue to keep our readers informed and we urge you to attend one of our remaining import seminars where we will focus on 10+2. Please see our notice below regarding seminar registration.

The 10+2 Notice of Proposed Rulemaking is available at:

<http://a257.g.akamaitech.net/7/257/2422/01jan20081800/edocket.access.gpo.gov/2008/pdf/E7-25306.pdf>

Export Conspiracy Theories?

Over the last several decades, any new employee in international shipping understands one of the fundamental truths of the U.S. economy after the first day on the job: America imports more than we export...a lot more. And, after a week or so on the job, we learn another modern truth: America doesn't make anything anymore. So, when the U.S. dollar's value tumbles in 2007-8 making U.S. goods cheaper than ever for foreign consumers, there should be an abundance of empty containers and vessel space, right? Unfortunately not. Then, it seems like a clear case of the ocean carriers conspiring to keep export container pricing up, right? Maybe not.

The first point to clarify is that the U.S. DOES make a few things as our export customers know well. Among the roster of U.S. products still made here are specialty grains and scrap metal. (Is scrap really a product?? While it is not manufactured, it is a huge business.) Very often, these two products lend themselves to bulk shipping on bulk vessels. At this point in the story, we should mention the huge growth of the middle classes in places like China and India. We should also mention the very unstable weather patterns across the globe and the relentless need for raw materials in the Far East as they manufacture goods for the robust European economy. The growing middle classes in the emerging nations have more disposable income and want a taste of the finer things in life. If you are tasting, you might as well taste food. The global food market is booming, and, with poor crop production from some other key producers due to bad weather, U.S. grain is in high demand. When this demand creates supply too great for the aging and relatively small bulk carrier industry, what happens? The grain shippers turn to containers and the much larger containership industry to move their goods. Similarly, the bulk scrap metal shippers who supply

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that huge demand for raw production materials have responded to the tightening bulk vessel space situation by switching to containers. At the same time, U.S. imports are slowing considerably, and we have our first legitimate container shortage problem for U.S. exports in almost a decade.

Many people will mention that the U.S. imports still dominate our balance of trade (as measured in dollars and TEU's). They will say there should still be empty containers and vessel space. There are a couple of additional factors in play, however. First of all, the growing cost of fuel and the reluctance of ocean carriers to spend additional monies repositioning equipment led them to reduce the available rail destinations and to increase the pricing in that sector. For many importers, that meant accepting their cargo at port was much more cost effective. At the same time, the nature of the U.S. import trade is retail dominated. Many retailers are better off breaking their containers at port for multi-store distribution. Therefore, for many carriers, it is not that containers are unavailable, it is that the containers are at the ocean ports, rather than sitting inland. For vessel space, we have to look at two things. Historically, anemic American exports pushed many carriers to seek strong exports anywhere possible along their vessel rotations. For some carriers, the vessels may not be as full coming into the U.S., but they have commitments of cargo later in rotation after the U.S. ports of call. Our history of poor exports hurts us in this scenario.

So, where is the hope in this story? Actually, there are a couple of paths out of this quagmire. First of all, U.S. exporters can use trailers to get their product to port and transload into ocean-going containers there. There are a few extra risks and expenses in this design, but you can get your goods to market. Another strategy is to book your space early and communicate quickly if you will be unable to meet a commitment. It helps immeasurably if you do what you say you will do in the eyes of the carriers. And, the best answer of all is to partner with hard-working, honest, and responsible NVO-freight forwarders. We're sure you are shocked to know have one to recommend: Shapiro! The best defense in a crazy market like this is a good offense. The key to a good offense is having many carriers to choose from in a given tradelane and having the reciprocal bi-directional cargo to leverage the deal. We are available to assist you in these important ways.

One last note: the steamship business often resembles the poker matches we see all over TV these days. Eventually, one of the players always goes "all-in." In this crazy market, going "all-in" may be the choice to add empty containers to inbound vessels, or it may be the choice to reposition empties in the U.S. to better take advantage of the export trade. If history and poker offer us any lessons, one of the carriers will look to take advantage of the others. Ultimately, we, the consumers of their services, will have our demand answered by their supply. Until then, please call us and let's work out a plan together.

What's the Latest on GSP?

We wanted to remind our readers that GSP is scheduled to expire December 31, 2008, unless Congress extends the law again. The last time GSP was due to lapse was in December 2006 when it was extended to the end of this year by the Tax Relief and

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Health Care Act of 2006. GSP for African Growth and Opportunity Act (AGOA) countries is not due to expire until September 30, 2015.

GSP, the U.S. Generalized System of Preferences, is a program designed to promote economic growth in developing countries and provides preferential duty free treatment for 3,400 products from 131 countries. Just under 2% of all U.S. imports fell under GSP in 2006. The program is administered by the U.S. Trade Representative (USTR).

The USTR periodically reviews products in the GSP program to see if they remain eligible, based on competitive need limitations (CNL). Under GSP, imports of a specific product from a beneficiary country are limited by either a market share cap or annual import level, unless the President grants a waiver. With the CNL waiver, the product from that country can continue to enter the U.S. duty free under GSP. The President can terminate a CNL waiver if there is a determination that the waiver is no longer warranted due to changed circumstances. By reviewing the waivers, the USTR can take action short of completely removing a country's GSP privileges. Updates to GSP eligibility typically take effect July 1st of every year.

Did you know a GSP Form A has not been required by U.S. Customs since May 1994? And yet, one of the most common questions we get is, "Do I need a Form A?" To claim GSP, the item must be a GSP eligible article and must be imported directly from the designated beneficiary developing country (BDC). The product must be wholly grown, produced, or manufactured in the BDC and at least 35% of the product's dutiable value, upon entering the United States, must be from costs directly attributable to the BDC.

Importers are responsible for being able to substantiate their GSP claims. Some of the more common errors found by Customs auditors include:

- Inability to produce records to support the 35% minimum value content provision.
- U.S. Goods Returned erroneously claimed as imported GSP articles.
- GSP articles erroneously classified. Properly classified, the articles are not eligible for GSP.
- Articles originated in a GSP ineligible country.
- Importer could not evidence direct shipment of the product from the BDC to the United States when the shipment entered an intermediate country en route to the United States.

More information on GSP is available from the USTR:

http://www.ustr.gov/assets/Trade_Development/Preference_Programs/GSP/asset_upload_file666_8359.pdf

BIS Auditing AES Transmissions

In presentations this year on the west coast and in Florida, the Bureau of Industry and Security (BIS) advised they are scrutinizing the transmissions sent via the

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Automated Export System (AES) and comparing them to licenses that were previously issued.

Not only is BIS looking at the AES transmission to be sure all data elements are properly input for the licenses that have been issued, but they are comparing data from these shipments to like shipments with the same or similar Schedule B number going to the same country.

Gerry Horner, from the Office of Technology Evaluation under BIS, advised that the AES data elements of concern to BIS are:

- License Type (license, exception, NLR)
- License Number
- ECCN
- Country
- Quantity and Value
- Exporter
- Consignee
- Harmonized/Schedule B Number

If you are not sure if you are sending the correct information through AES, contact compliance@shapiro.com for assistance.

BIS Establishes Emerging Technology and Research Advisory Committee

The Bureau of Industry and Security (BIS) announced on May 23, 2008 the establishment of the Emerging Technology and Research Advisory Committee (ETRAC). The new committee will assist BIS in evaluating currently controlled technologies and emerging technologies which may have national security significance.

The ETRAC will provide recommendations to BIS on how to help keep the Commerce Control List (CCL) current with respect to emerging technologies and research and development activities that have dual-use applications. The committee will assess new and existing regulatory controls that are of greatest consequence to U.S. national security and study the implications of the release of dual-use technology to foreign nationals under current deemed exports licensing requirements.

“The formation of the ETRAC is a significant step towards the continued refinement of U.S. export control policies through public-private sector collaboration,” said Under Secretary of Commerce Mario Mancuso. “The ETRAC will help ensure that we are protecting U.S. national security interests while preserving U.S. leadership in scientific and commercial technology innovation.”

Qualified leaders in industry, academia and research are encouraged to apply. Members should have in-depth knowledge of U.S. research and emerging technology that could affect U.S. national security.

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To respond to the recruitment notice, interested parties must send a copy of their resume by 5:00 p.m. EDT, June 24, 2008. Resumes may be submitted to Ms. Yvette Springer at Yspringer@bis.doc.gov or mail to U.S. Department of Commerce, Bureau of Industry and Security, 14th Street and Constitution Ave., NW., Room 1093, Washington, DC 20230.

The contact for additional information is Mark Crawford, Office of Technology Evaluation, Bureau of Industry and Security, telephone: (202) 482-4933 or e-mail: mcrawfor@bis.doc.gov.

Further information can be found in the [Federal Register Notice](#) dated May 23, 2008, 73 FR 30048-30049.

Federal Agency Regulatory Agendas Affecting Imports

The May 5, 2008 issue of the Federal Register included the semiannual regulatory agendas for a number of federal agencies including the Department of Homeland security, the Department of Agriculture, the Department of Health and Human Resources, and the Department of Transportation. The agendas include proposed and final rule making on topics and areas of concern to importers and the trade community as highlighted below. Note that this listing is not all inclusive.

- U.S. Customs & Border Protection expects to issue a final rule on 10+2 in September, which requires additional data elements from importers and ocean carriers to be provided before imported products are brought into the US.
- The Transportation Security Administration expects to issue an interim final rule implementing the Certified Cargo Screening Program in August. The program certifies manufacturers and shippers, among other parties, to screen cargo that is transported on passenger aircraft. The program is currently in test mode in such ports as Atlanta, Chicago, and Los Angeles.
- The Agricultural Marketing Service expects to implement regulations on mandatory country of origin marking on meats, perishable agricultural products, and peanuts in September.
- The Animal and Plant Health Inspection Service plans to issue throughout the remainder of the year proposed, interim, and final rules involving the imports of cattle, fruits and vegetables, fish, and poultry. In July, APHIS expects to issue a rule designed to prohibit the importation of cattle and bison into the U.S. that have tuberculosis based on several levels of risk evaluation. In December they plan to amend regulations that would allow rodeo cattle from Mexico to undergo more stringent TB testing. In October they expect to issue a final rule involving the requirement for phytosanitary certification on fruit and vegetable imports of non-commercial shipments imported by air passengers. In May they were expected to issue an interim final rule on restricting the importation of fish that are infected with hemorrhagic septicemia, which is a contagious disease among certain fish. APHIS also planned to issue in May an interim rule prohibiting or restricting the import of birds and poultry products from countries where pathogenic avian influenza is present other than type H5N1.

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- In July the Food & Drug Administration expects to issue a proposed rule that would require food products that have been refused entry into the U.S. by FDA to be labeled by the owner or consignee as such. The labeling would read, "United States: Refused Entry."
- In September the Federal Motor Carrier Safety Administration plans to issue a final rule which would make intermodal equipment providers subject to federal motor carrier safety regulations. These regulations require that container chassis and trailers be maintained for safety.

The Agencies' Agendas can be viewed in their entirety at:

http://www.access.gpo.gov/su_docs/fedreg/a080505c.html

Intellectual Property Rights - A Priority Trade Issue

In last month's Shap Talk, we gave you a brief overview of the seven Priority Trade Issues for 2008. This month, we focus on Intellectual Property Rights.

Counterfeit and pirated goods threaten the U.S. economy; U.S. competitiveness; and the livelihoods of U.S. workers. In some cases, national security and the health and safety of consumers are also affected. Trade in illegitimate goods is associated with smuggling and other criminal activities, which often finances these criminal endeavors.

CBP's strategic approach to intellectual property rights (IPR) enforcement is multi-layered and includes (1) seizing fake goods at U.S. borders, (2) pushing the border outward through audits of infringing importers and cooperation with U.S. international trading partners, and (3) partnering with industry and other government agencies to enhance these efforts.

CBP internally coordinates IPR strategy through an intra-agency Priority Trade Issue – Intellectual Property Rights Working Group. This Working Group, which includes representatives from the Office of International Trade, the Office of Information and Technology, the Office of Field Operations, the Office of Chief Counsel, the Office of International Affairs and Trade Relations, and U.S. Immigration and Customs Enforcement (ICE), meets on a regular basis to address IPR policy and enforcement issues and to focus the resources of offices throughout CBP.

As the primary border enforcement agency, CBP is also a key player in the Administration's inter-agency Strategy for Targeting Organized Piracy (STOP!).

CBP actively participates in the IPR working groups of several international organizations including the World Customs Organization, the G8, and the Asia Pacific Economic Cooperation (APEC).

CBP is also engaged in ongoing bilateral efforts, including a memorandum of cooperation with China to strengthen the enforcement of IPR laws through exchange of information on seizures and trends, and effective enforcement programs.

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In addition, CBP is implementing a five point IPR action plan with the European Union, and is partnering with Canada and Mexico through the Security and Prosperity Partnership (SPP) on a strategy to reduce counterfeiting in North America.

And finally, CBP has an on-line recording system, IPR e-Recordation, which allows rights owners to electronically record their trademarks and copyrights with CBP, and facilitates IPR seizures by making IPR recording information readily available to CBP personnel.

CBP has also posted a document providing information on how to obtain IPR border enforcement assistance, available at:
http://www.cbp.gov/xp/cgov/trade/priority_trade/ipr/ipr_assistance.xml).

Validation of CITES Documents

On May 7, 2008, the U.S. Fish and Wildlife Service (FWS) issued a “Notice to the Wildlife Import/Export Community” reminding the trade of certain document validation requirements under the August 2007 published final rule which updated the regulations that implement the Convention on International Trade in Endangered Species (CITES) in the U.S. (50 CFR Part 23).

In this recent notice FWS would like to emphasize to the trade community that the appropriate inspection authority must validate all CITES documents at the time of export or re-export, and that FWS will no longer accept CITES documents for imports of CITES species that have not been validated.

FWS goes on to say that CITES documents for imports of CITES species must be validated with the actual quantity of specimens exported or re-exported using the same units of measure as those on the CITES document. This quantity must be validated or certified by the stamp or seal and signature of the inspecting authority at the time of export or re-export. Importers should communicate with their foreign suppliers to ensure that CITES documents are validated prior to export. Any shipments imported with unvalidated CITES documents are subject to seizure.

Under Section 484 of the Tariff Act, as amended (19 U.S.C. 1484), the importer of record is responsible for using reasonable care to enter, classify and determine the value of imported merchandise and to provide any other information necessary to enable U.S. Customs and Border Protection to properly assess duties, collect accurate statistics, and determine whether other applicable legal requirements, if any, have been met. “Other applicable legal requirements” includes Other Government Agency requirements. If you are importing goods subject to FWS regulations, you must use reasonable care in the entry of your goods. If you have any questions, please contact us at compliance@shapiro.com.

COMPLIANCE CORNER

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Foreign Inland Freight

In this month's issue, we will examine foreign inland freight from the security point of view and from the compliance point of view. Both have their challenges.

During the Customs-Trade Partnership Against Terrorism (C-TPAT) validation and re-validation process, Supply Chain Security Specialists from U.S. Customs & Border Protection (CBP) are inquiring more and more about foreign inland freight. After the point of stuffing, the move from the factory to loading port is the most vulnerable point in the supply chain. Do you know how long that trip should take? Who is moving your cargo overseas? Often the U.S. importer has no control over this leg of the journey. The foreign inland carrier may be selected by the shipper, by the foreign freight forwarder, or by the steamship line. When the Supply Chain Security Specialist visits your foreign supplier, he or she will want to know who is carrying your shipment to the foreign port and who is responsible for arranging that move. As the C-TPAT program matures, expect CBP to delve deeper into your supply chain.

Now to the compliance and valuation side of the equation. Foreign inland freight will be non-dutiable on shipments with "ex-works" terms. For shipments with other than ex-works terms, foreign inland freight is part of the dutiable value to the extent it is included in the price. Foreign inland freight may be excluded from dutiable value if the total cost of transportation is clearly identified on the invoice and the goods are placed with a carrier on a through bill of lading to the United States. A through bill of lading will be issued by the carrier or forwarder and will indicate that one carrier or forwarder is in sole control of the shipment from the place of manufacture through to the port where the merchandise enters the United States. In other words, for the foreign inland freight to be non-dutiable, it would be necessary for a through bill of lading to be furnished which indicates that one carrier or forwarder was responsible for both the foreign inland freight and the ocean freight. The charges for inland freight must occur after the merchandise has been sold for export to the U.S.

What if the foreign inland freight is paid by the buyer to a third party? As long as that third party is not related to the seller and the third party does not remit the inland freight to the seller, then the inland freight will be non-dutiable.

If you have any questions regarding the dutiable status of foreign inland freight, please contact us at compliance@shapiro.com.

TRANSPORTATION UPDATE

How to Plan Ahead for Export FCL Space

Within the past five years, there has been a swing in the U.S. export market for space, primarily to Europe. Five years ago, carriers were begging for export cargo. Rates were at all time lows. Equipment and space was every where. Then, the simple laws of supply and demand in the global market went into effect. Carriers realized that more equipment was needed in the Asia rim to supply Europe and other regions. The

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money the carriers were losing on the Trans-Atlantic routes was re-allocated to the high profit Asia routes. Some Trans-Atlantic routes were cancelled and discontinued. Thus, the space availability off the U.S. East Coast has been reduced.

Now, with the weakening of the U.S. Dollar, U.S. exports are becoming more attractive in our global economy. Without services and vessels being replaced from the U.S. markets, space is at an all time premium. Also, this drives the pricing of the space up for all the players involved. Add the higher crude oil prices to the global market, and FCL Export pricing is climbing upwards. As a forwarder, we need to try and plan ahead with our customers for these problems. Pricing will always be determined by the carriers and the market. Thus, contracts will have to be signed to try to keep the increases at a minimum. As far as space, shippers and forwarders alike need to start planning ahead by blocking space four and five weeks in advance. This is often frowned upon by shippers, but is a necessity in order to keep the flow of traffic moving. If the forwarders and shippers can work together to plan loads ahead, it will help provide a smoother flow of service and space for both parties. Until the carriers decide to add more vessels and services, a partnership is inevitable between all players involved.

Thus, forwarders and sales representatives must educate our customers, agents, consignees of the difficult situation. When a customer is advised up front of the tasks at hand, we can earn their trust and hope to build an alliance until space loosens or more vessels and routes are added. This will hopefully build the bond between shipper and forwarder for years of fruitful business relations.

June 2008 Update

Samuel Shapiro & Company, Inc. now has a Global LCL program for both imports and exports to offer our customers competitive pricing and provide us with the technology that will support us and our customers. We can quote almost immediately and also have access from our website to sailing schedules.

FAR EAST

Please be aware that this is the Contract Season and all rates are being negotiated at this time. We will advise once the negotiations have ended and we have rates on file. Most lines are taking increases, so be prepared for this.

Please be advised that most carriers are taking a Peak Season Surcharge either June 1, 2008 or June 15, 2008. The published Peak at this time is:

\$320.00/20'
\$400.00/40'
\$450.00/40' HC
\$510.00/45'

As always we will be negotiating to obtain lower Peak on our contracts.

Implications of the 2008 Beijing Olympics:

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The Government in Beijing has announced air quality measures for the Olympic Games in August and they will affect logistical operations in a few ways.

- 1) From July 22 – September 22, the Government will be stopping most trucks and cars from driving through Beijing.
- 2) Most factories will be forced to stop production.
- 3) The Chinese Government will be limiting Dangerous Goods cargo. Here is a list of dangerous goods that will be prohibited from all Chinese ports and Hong Kong from July 18 to August 31:

All Class 1 - Explosives

Class 3 – UN 1090/1091 - Acetone

Class 5.2 - Organic peroxides

Class 6.1 - Toxics

All Class 7 - Radioactive material

Class 8 with 5.1 subclass UN2014, UN2015 - Hydrogen peroxides

Class 8 UN1830, UN1831, UN1832, UN2796 - Sulphuric acid

Class 8 UN2031, UN2032 - Nitric acid

Class 8 UN1789 - Hydrochloric acid

Ammonium Nitrate and related fertilizers Class 5.1 UN-No. 2067/3375/2426

Class 9 UN-No. 2071

Therefore, before shipping please make sure cargo is safe for shipping and documentation is 100% correct. There may also be increased formal inspections on cargo during this time and could cause delays.

Samuel Shapiro & Company, Inc. has direct service for LCL cargo from Hong Kong to Baltimore without the congestion of New York. Service moves on the MOL/HYUNDAI service and has very reliable transit time.

MEDITERRANEAN

Please be advised that due to the continued rise in fuel costs, MSC has filed an increase effective June 20, 2008 to the Fuel Escalation Surcharge (FES) as per below for all US Inland Tariffs except for the Far East Eastbound:

* Effective Date: FES, June 20, 2008

* Tariff Number : Mesu – 037 10-A

* Rule Name: FES for all US Inland Tariffs

All U.S. Inland rates are subject to a Fuel Surcharge as follows:

Ramp move: \$ 220.00 per container

Rail-Motor: \$ 295.00 per container

All Motor:

For inland tariff rate up to \$ 400.00 the applicable FES will be \$ 98.00 per Container

For Inland tariff rate over \$ 401.00 the applicable FES will be \$ 165.00 per Container

Samuel Shapiro & Company, Inc. has direct service for LCL cargo from Italy to Baltimore without the congestion of New York. Service moves on the MSC service with very competitive rates.

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SOUTH AMERICA

Please be aware that this is the Contract Season and all rates are being negotiated at this time. We will advise once the negotiations have ended and we have rates on file. Most lines are taking increases, so be prepared for this.

We want to inform our customers of a new process in Brazil. Siscarga (the Brazilian Customs and Marine Merchant integrated system), is affecting the export shipments from Brazil now. Bookings need to be made a week in advance of cutoffs and information submitted through the Siscarga. As a result the carriers are setting their cutoffs one week before the sailing. This may cause problems if shippers do not have cargo available and need it rushed.

NORTHERN EUROPE

Based upon the latest monitoring of fuel prices, TACA's Bunker Adjustment Factor (BAF) will be held unchanged for a further period of thirty days, through at least June 15, 2008, at the following levels:

Traffic to/from and via:

Atlantic/Gulf Coast Ports	Pacific Coast Ports
\$607.00 per 20' container	\$911.00 per 20' container
\$1214.00 per 40'/45' container	\$1822.00 per 40'/45' container
W/M \$61.00	W/M \$91.00

The Currency Adjustment Factor (CAF), based on the latest monitoring exercise, will increase to 15% effective May 16, 2008 through, at least June 15, 2008.

DOMESTIC

Please be aware that with the rising fuel costs inland fuel prices are going up weekly with the inland transportation carriers. If you were quoted a fuel surcharge a few weeks ago, the chances are that has gone up since then. Please contact us for up to date inland quotations.

We regret to inform you that Jevic Transportation Inc. will be discontinuing operations. The current high fuel costs, economic downturn, increasing insurance costs, and tightening credit markets have made this decision necessary. Jevic stopped providing pickup service effective May 19, 2008. However, they will continue operating to deliver all freight within their system prior to closing. Operations and Customer Service: Jevic will not be accepting pickup requests after May 16, 2008 and the web and EDI pickup functions will be disabled. They will continue to provide Customer Service through the wind down period at 888-GO-JEVIC. Jevic asks that you please utilize the automated voice response system as much as possible as the number of calls is expected to be high and there will be longer hold times. The Jevic website will remain active and will be updated during the period as well and that should be your primary point of contact for tracing and needed documentation.

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SAMUEL SHAPIRO & COMPANY, INC. – THE LATEST

Don't miss our upcoming seminars! There is still time to register!

Pack your calendar this year with Shapiro's exciting seminar lineup!

Be sure not to miss our Export Compliance Seminar in Atlanta coming up on June 12th. You will learn about Project Shield America, a program developed by the U.S. Immigration and Customs Enforcement (ICE) with the purpose of preventing illegal export of sensitive U.S. munitions and strategic technology to terrorists, criminal organizations and foreign adversaries. Learn how it impacts you and how you can play a role.

Additionally, you will learn about exporter compliance responsibilities and how you can establish a compliance program at your company. There are multiple government agencies responsible for administering and enforcing exports. Know who is involved and what your responsibilities are as a U.S. exporter and the importance of export controls.

If you can't make it to this seminar in Atlanta, be sure to register for this class in Baltimore on September 10th!

You still have two others seminars to choose from for the remainder of the year:

Our Import Compliance seminar will be presented and hosted by Jane Taeger, our Director of Compliance. 10+2 will affect every importer and represents a vast change in how and when information is provided to U.S. Customs for each shipment. You won't want to miss our presentation on what 10+2 means to you. Choose from classes in Atlanta and New Jersey.

The Transportation and Insurance seminar will be presented by Jack Bashkow, Shapiro's Director of Transportation and will feature a guest speaker from Avalon Risk Management, a premier provider of insurance and surety. Continuing with tradition, we will host this seminar the same day as the Annual Propeller Club Crab Feast. So plan on attending our seminar in the morning and enjoying the Crab Feast in the afternoon! Complimentary transportation to and from the Crab Feast will be arranged by Shapiro.

Here is our current 2008 seminar schedule:

Seminar Topic	City/State	Location	Date
Export Compliance	Atlanta, GA	Westin Atlanta Airport	6/12/09
	Baltimore, MD	Tremont Grand Hotel	9/10/08
Transportation & Insurance	Baltimore, MD	Tremont Grand Hotel	8/14/08

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Import Compliance and 10 + 2	Atlanta, GA	Westin Atlanta Airport	10/14/08
	Fort Lee, NJ	Doubletree Fort Lee	11/6/08

To register, please visit our website at <http://www.shapiro.com/html/2008SeminarSchedule.html> or email compliance@shapiro.com

We look forward to seeing you soon at one of our events!

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 Josie Frias, Baltimore Export Account 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.