Samuel Shapiro & Company, Inc.
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# “SHAP” TALK
## April 2009 Issue No. 84

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## SEMINARS

**Shapiro's 2009 (Budget Friendly) Seminar Schedule is Here!**

The wait is over! Get your calendar ready…Shapiro's 2009 seminar schedule is set!

This year we will have two new topics: FDA (Food & Drug Administration) and NAFTA (North American Free Trade Agreement). Our focus this year will also continue to be on import and export compliance.

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.

The Import and Export seminars 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.

Our FDA seminar will feature Dean Cook, Supervisory Consumer Safety Officer with FDA in Baltimore. Continuing with tradition, we will host our FDA 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!

The NAFTA seminar 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.

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** |
|---|---|---|---|
| Import and Export Compliance | Baltimore, MD | Sheraton Baltimore City Center | 5/5/09 |
| | Atlanta, GA | Sheraton Gateway Atlanta Airport | 9/29/09 |
| FDA | Baltimore, MD | Sheraton Baltimore City Center | 8/13/09 |
| NAFTA | Baltimore, MD | Sheraton Baltimore City Center | 11/10/09 |

**Import and Export Compliance Seminars**

**Dates:**
Baltimore: May 5, 2009
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.

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

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.
$60.00 per person additional per Crab Feast Ticket (FDA seminar only).

**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

### The Obama Administration Publishes its 2009 Trade Policy Agenda and 2010 Budget Recommendations

On March 2, 2009 President Obama published his 2009 Trade Policy Agenda, which includes measures such as addressing pending free trade agreements (FTAs) and other unresolved trade issues.

Some highlights of the agenda are included below.

- The administration intends to move quickly forward in establishing the pending Panama FTA, and reviewing the status of the Columbia and South Korea FTAs.
- It will be reviewing the North American Free Trade Agreement (NAFTA) with Canada and Mexico for possible improvements, as well as other current FTAs to make sure that they are bilaterally beneficial to all participating parties, but especially the poorest countries and those that require the preferences to compete on an international level.
- The administration may ask Congress to grant Trade Promotion Authority (TPA) or Fast-Track to negotiate trade agreements and to bring them to an up or down vote to help address the current economic crisis.
- It will take measures to insure that unresolved trade issues such as intellectual property rights (IPR) protection and consumer product safety standards and laws are met upon renewal or review of any current FTA.
- It will work with trading partners in the World Trade Organization (WTO) Doha Round in goods and services to correct any perceived imbalances for US workers and businesses, and to build on the environmental negotiations within the Doha to help address issues such as global warming and energy supplies.
- It will continue to address any security threats in the import/export industry by developing new policies to combat terrorism while lessening barriers to trade.

On February 26, 2009 the Obama administration also published an overview of the 2010 budget entitled “A New Era of Responsibility: Renewing America’s Promise.” The actual year 2010 budget is to be published in the spring of 2009.

Some of the proposed recommendations include:

- The administration intends to strengthen Intellectual Property Rights (IPR) protection by providing funds to allow the U.S. patent and Trademark Office to conduct more efficient patent and trademark examinations.

- Provide funding to the U.S. Department of Agriculture (USDA) and the Food and Drug Administration (FDA) to enhance food safety inspections, lab capacity, and to determine safety risks to avoid food-borne illnesses.
- Provide funding to increase transportation screening against terrorist threats.
- Provide funding to the Transportation Security Administration (TSA) so that response teams can be positioned unannounced at transportation hubs in an effort to increase safety.
- Provide additional funding for x-ray inspection equipment and radiation devices to detect nuclear materials.
- Provide funding to U.S. Customs & Border Protection (CBP) for agents that protect physical U.S. borders.
- Provide funding to the FDA to finance programs that would allow American citizens to buy approved drugs from foreign countries.

The complete texts of both publications can be viewed by visiting www.ustr.gov/assets/Document_Library/Reports_Publications/2009/2009_Trade_Policy_Agenda/assest_upload_file810_15401.pdf and www.whitehouse.gov/omb/assets/fy2010_new_era/A_New_Era_of_Responsibility2.pdf

**Mexican Truck Program Termination Results in Retaliatory Tariffs**

We introduced you to the Mexican Truck Pilot Program in our October 2007 edition of Shap Talk - http://www.shapiro.com/docs/ShapTalk/ShapTalk66.pdf. This was a pilot project to allow Mexican trucking companies to operate in the United States beyond the 25 mile commercial zone that runs along the U.S.-Mexican border. No more than 100 Mexican trucking companies were to participate and each company, vehicle, and driver was subject to a significant and rigorous safety inspection prior to being admitted to the project. The project is reciprocal in that U.S. trucking companies were allowed to operate in Mexico for the first time. Although opposed by the Teamsters, the project saved consumers time and money by avoiding the usual transshipment procedures at the southern border, and opened up the market for U.S. trucking companies to compete in Mexico.

The U.S. Congress terminated the pilot program in March 2009. Mexico immediately imposed retaliatory tariffs for the U.S.'s failure to comply with NAFTA (cross border trucking was part of the NAFTA agreement). The tariffs range from 10% to 45% and cover a wide variety of about 90 items such as Christmas trees, sunglasses, fruits, nuts, vegetables, shampoo, pens, and pencils.

President Obama has asked the Department of Transportation to work with the U.S. Trade Representative, the State Department, and U.S. Congressional and Mexican officials to create a new trucking program that will be satisfactory to all concerned and that will meet the U.S.'s NAFTA commitments.

If you export to Mexico, please contact us at compliance@shapiro.com to see if your products are in the affected group.

### BIS Solicits Comments on the Utilization Rate of BIS Export Licenses

The Bureau of Industry and security (BIS) under the Department of Commerce issued a Federal Register Notice dated March 20, 2009 requesting public comments on the utilization rate of export licenses issued by BIS. Apparently, a significant percentage of the export licenses issued by BIS appear to be unused or used for less than the quantity or value limits authorized by the license. BIS is seeking public comment to determine the reasons why the licenses issued are not used at all in some cases or underused in other cases. BIS is particularly interested in whether the application process itself causes exporters to apply for greater authorizations than they need.

BIS issues licenses for export of items that are subject to the Export Administration Regulations. Most licenses are valid for two years. A recent BIS review of export data from the Automated Export System (AES) indicated that by the end of calendar year 2007, forty-eight percent of the licenses issued in calendar year 2005 for the export of commodities were not used at all! Other licenses were used for less than the full quantity or value that was authorized by BIS.

BIS is trying to understand why this is happening and if there is anything in the application process that contributes to this practice of not using or underusing export licenses. BIS is willing to make possible process improvements to enhance the utilization of export licenses depending on the comments they receive. Comments must be received no later than May 4, 2009.

For further information contact: Jennifer Watts, Office of Technology Evaluation, Bureau of Industry and Security, telephone: 202-482-8343; fax: 202-482-5361; e-mail jwatts@bis.doc.gov.

The complete Federal Register Notice dated March 20, 2009 is available at
http://edocket.access.gpo.gov/2009/E9-6164.htm

### ICC Introduces New Tool to RESIST Corruption

Knowing how to respond to inappropriate client demands can be challenging for company employees, especially if the demand is accompanied by a threat. Help is now at hand in the form of a practical new tool, launched by the International Chamber of Commerce (ICC), to help businesses better address the risk of solicitation and extortion.

The ICC has introduced a new tool RESIST (Resisting Extortions and Solicitations in International Transactions), which was jointly developed by the International Chamber of Commerce, in partnership with Transparency International, the UN Global Compact and the World Economic Forum. RESIST raises employee awareness of how to prevent inappropriate demands from being made, and sets out practical measures on how to respond to dilemmas in the most efficient and ethical manner when they cannot be avoided.

"In the current economic climate the temptation to take inappropriate action can be hard to resist," said François Vincke, Chair of the ICC Commission on Anti-Corruption, which encourages business self-regulation to fight corruption. "But staving off solicitations and extortions is vital to maintaining a fair and open trading system."

The first part of the RESIST tool comprises seven scenarios relating to solicitation in the context of the procurement process. The second part of RESIST, focusing on project implementation, will be published by the end of the year.

Read the entire article and download a PDF copy of RESIST on the ICC website at
http://www.iccwbo.org/icccicce/index.html

**ITA Releases January 2009 Export Statistics**

On March 13, 2009, the International Trade Administration issued the U.S. Export Fact Sheet for January 2009.

With the release of January 2009 U.S. International Trade in Goods and Services report by the Department of Commerce's U.S. Census Bureau and the Bureau of Economic Analysis, U.S. exports of goods and services fell by 16.4% in January 2009 to $124.9 billion since January 2008, while imports declined 22.8% to $160.9 billion over the same period.

- The largest export markets for U.S. goods in January 2009 were Canada ($14.8 billion), Mexico ($9.8 billion), China ($4.2 billion), Japan ($4.0 billion), and Germany ($3.6 billion).
- Capital goods represent the largest export category (end-use) for the U.S. with $33.0 billion worth of exports in January 2009. The top export categories for capital goods products in January 2009 were civilian aircraft ($3.8 billion), semiconductors ($2.6 billion), industrial machines ($2.3 billion), telecommunications equipment ($2.3 billion), and medicinal equipment ($2.2 billion).
- The top export categories for industrial supplies in January 2009 were fuel oil ($1.7 billion), organic chemicals ($1.7 billion), plastic materials ($1.7 billion), other petroleum products ($1.5 billion), and other chemicals ($1.5 billion).
- The top export categories for foods, feeds, and beverages in January 2009 were meat and poultry ($1.0 billion), soybeans ($1.0 billion), and corn ($682 million).
- U.S. services exports totaled $42.7 billion in January 2009, down $2.0 billion (or 4.6 percent) from January 2008. The surplus in services was $10.9 billion, down $574 million (or 5.0 percent) from January 2008. Services export categories were other private services ($19.6 billion), travel ($8.1 billion), royalties and license fees ($7.3 billion), other transportation ($3.9 billion), passenger fares ($2.5 billion), and government services ($1.3 billion).

The entire Export Fact Sheet for January 2009 is found at http://www.trade.gov/press/press_releases/2009/export-factsheet_031309.pdf

**APHIS ePermits**

The Animal Plant Health Inspection Service (APHIS) of the U.S. Department of Agriculture (USDA) has introduced an electronic permit application system. The ePermits system allows importers the ability to apply for a permit, check its status, and view the permit online. Applicable permit application fees can be paid online with a credit card. The system also allows APHIS to issue, track, and verify the validity of import permits more expeditiously, thus reducing the time and expense for processing and mailing permits.

The ePermits system includes a feature that generates and prints barcoded shipment labels. When the shipment comes into the U.S., the USDA inspector can scan the barcode and know immediately that the importer possesses a valid permit, thus releasing cargo much more quickly.

For more information, please visit:
http://www.aphis.usda.gov/permits

## TRANSPORTATION UPDATE

**April 2009 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.

New Orleans wharfage is now $2.70 per short ton (2000lbs) with minimum $15.00 per bill of lading.

**FAR EAST**

The global recession is effecting China and possibly more so than the U.S. Unemployment is soaring due to the decline in exports to the U.S. and the Chinese housing bubble has not burst yet. The Chinese have not accumulated wealth as the Americans have, so the recession will make it even harder for the Chinese to maintain their lifestyle.

**SOUTH AMERICA**

South America's Recovery Project has sparked increases in project cargo.

**NORTHERN EUROPE**

Maersk Line has announced a general rate increase for the transatlantic as of April 1, 2009. Maersk announced the following increases for services between Northern Europe and the East and Gulf coasts of North America:

$160.00 per 20-foot dry container
$220.00 per 40-foot container, high cube or 45-foot container/reefer

Maersk announced the following increases for services between Northern Europe and the west coast of North America:

$200.00 per 20-foot dry container
$300.00 per 40-foot container, high cube or 45-foot container/reefer

The increases apply equally to all eastbound (export) and westbound (import) cargo moving between the U.S. and Canada and North Europe.

Evergreen has announced a general rate increase as of April 6, 2009 from Northern Europe to the U.S.

East coast and Gulf
$165.00 per 20' container
$235.00 per 40 and 40 high cube

West coast
$225.00 per 20' container
$295.00 per 40' and 40' high cube

Evergreen has announced a general rate increase from the U.S. to Europe as of April 15, 2009.

$150.00 per 20-foot dry container
$200.00 per 40', 40' high cube container
$200.00 per 40' high cube reefer container

Hamburg Sud has announced a general rate increase on transatlantic routes as of April 10, 2009.

$160.00 per 20 foot container
$200.00 per 40 foot container

Mediterranean Shipping has announced a general rate increase effective April 1, 2009 from UK, Belgium, Netherlands, Scandinavia, Baltic countries, Northern France, Russia, Germany and Poland to the U.S.

$160.00 per 20 foot container
$200.00 per 40 foot container

**EAST/WEST MED**

Mediterranean Shipping has announced a general rate increase effective April 1, 2009 from Italy, Spain, Portugal, Southern France, Slovenia, Albania, Croatia, Montenegro and Israel to the U.S.

$200.00 per 20 foot container
$250.00 per 40 foot container

**AIR FREIGHT**

Qatar Airways now flies to 3 destinations in the USA: New York, Washington and Houston.

## SAMUEL SHAPIRO & COMPANY, INC. NEWS & EDITORIALS

### ISF Portal Plus Tutorial Now Available

We are pleased to announce our Importer Security Filing web portal to assist you in complying with the 10+2 requirements. Samuel Shapiro & Company, Inc. has been transmitting ISF data for our customers since the program began in January. We urge all importers to file the ISF during this year of relaxed enforcement. Customs will not issue any penalties for incomplete or late information during this first phase. Importers need to get used to gathering and reporting the information so that you will be ready once full enforcement takes effect in 2010.

The ISF portal is easy to use! Please see our tutorial on our website at http://www.shapiro.com/docs/Shapiro360_ISF_Tutorial.pdf. Once you have signed up for the portal, simply log in to the Samuel Shapiro & Company, Inc. website www.shapiro.com as you normally do for internet tracking on Shapiro 360°. Click on the ISF Portal tab on the tool bar at the top. You will have several options. You can enter new ISF information, create an ISF template, update an ISF template, copy or delete an ISF template, or create a new ISF using an ISF template.

The bill of lading number is required to create an ISF. The bill of lading number is the single data element that will link the ISF to the steamship line's manifest as well as to the Customs entry. Customs will not accept an ISF filing without the bill of lading number. All the other fields on our ISF portal are optional, so you can fill in as much information as you have. You will have an opportunity to review the data before you send us your ISF information. When you hit the submit button, our system will provide you the Shapiro file number and send an automated e-mail to your Shapiro account coordinator so we know you have entered the information. Your account coordinator will review your ISF and then transmit the information to Customs. You will be able to view the ISF confirmation number through our internet tracking system.

You can also create templates for shipments that may be repetitive or where only certain information changes. Once the template is created, you can create a new ISF from the template and make changes as needed, or simply add just the bill of lading number.

If you would like to use our ISF Portal or other features on our Shapiro 360° such as internet tracking, reports, or our P.O. management system, please contact your Shapiro representative and we will be happy to assist you.

**Know Your Customer. Do Not Be Fooled. An editorial from our Dulles Branch Manager, Wane Byer**

In the March 2009 issue of "Shap" Talk, my colleague John Laird addressed issues that differentiate a freight forwarder from a freight integrator. He hit a home run. I have experienced almost all the scenarios he identified while working for a major manufacturing company as its North American Logistics Manager. What made the situation worse was only a few of the people I dealt with at the freight integrator knew my background and the ones who did not, did not seem to care to know. My career started in 1976 at JFK International Airport. I have spent the last 18 years in the Washington Dulles area. During seven of those years, I left the logistics provider side of the business and joined a manufacturing company before recently joining Samuel Shapiro & Company, Inc.

While on the manufacturing side, I was truly amazed. It seemed that every request I made to the incumbent freight provider was additional work. I heard probably every reason why I should do things *their* way to make *their* lives easier. Here's a few that I am sure you will enjoy. "Customs is closed on Saturday and Sunday, so it is in your best interest not to request a weekend clearance." "We have to wait at least 2 days before we can question Customs regarding an AMS release problem. The system will have to clear itself." My all time favorite was, "We are doing everything possible to secure the release of your consignment from the airline. We have spoken to the VP of the airline and Customs to try to come to a viable solution for all parties." That was great; however they could not fix the typographical error which was the whole problem. Now, there are probably those of you who will say that could not have happened. I have witnesses. Needless to say, that company lost the business.

Problems occur, but it is how you deal with them that will make the difference. Know who your customer is. At Shapiro, we do. We understand your business and the level of knowledge you possess. We look to develop a partnership, be informative, work together and develop that individual program for you. We will work to keep your business not only today, but tomorrow. John was right. Flexibility, along with industry expertise, is the key.

**Off the Deep End: Multinational Schmultinational, an editorial from our Director of Strategic Development, Robert Burdette**

"Live and let live."

"Why can't we all just get along?"

One hears these clichés often enough in the world of business. However, this industry veteran simply cannot accept the "live and let live" sentiment when it applies to a particularly false claim made by many of the competitors of Samuel Shapiro & Company, Inc.

The boldly stated claim is that being with a multinational freight forwarder is the ONLY way. After all, having a "presence" in every major seaport and airport MUST be good for the importer or exporter, right?

Wrong.

As a survivor of six plus years with the largest of the large multinational freight companies, this commentator feels quite comfortable offering insight on this fool's gold. Here are the problems with the multinational forwarders' claim that location is everything:

1. It costs and costs (and costs). The fixed costs are enormous, and the bill is paid by the importer and his friend, the exporter. Who pays for the rent and the salaries and the copy paper in those hundreds of global locations? You do.
2. We are family. This is great unless your "relative" is not trained and ready to handle a commodity, trade lane, or mode of transport at the very highest performance levels. Unlike the worldwide network approach, the multinational cannot replace its own company with a better alternative. The intelligent, independent approach allows a company like Shapiro to match the needs of customers with the unique specialties of unique specialists, globally. Let's be honest. When a company has competition for good business, that company works hard to do a great job. A multinational's overseas office has a monopoly.

We don't think monopolies support the best solutions to your complex problems (because they don't).

3. Technology has advanced. Five or ten years ago, the multinational forwarder could honestly claim that operating on a common technology platform was a superior approach. Alas, the world of data connections, automatic updates, and systems integrations make the strengths of multiple companies available to the international shipper from one log-in. The pieces are greater than the whole in the modern economy, and the "common platform" speech has grown as tired as the American public when hearing yet another story about steroid abuses in baseball.

So, we just can't get along with the multinationals' false claims to our partner customers and to the many prospects who have yet to enjoy the benefits of solution building with THEM in mind.

By building an agent network to provide commercial flexibility and to promote positive competition among professional specialists seeking our work, Shapiro creates the RIGHT kind of global presence. We bring you global presence in order to offer you unique solutions that match your business and your budget.

We don't believe in one-dimensional and expensive answers in the name of hype and false promises. What we have to offer is better than what they claim to offer. Period.

**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 Eileen Family, Philadelphia 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.